



Our Company was incorporated as Thyrocare Technologies Limited on January 28, 2000 at Mumbai and received certificate of commencement of business on March 7, 2000. It was incorporated as a public limited company under the Companies Act, 1956. For details, see section entitled “History and Certain Corporate Matters” on page 142.

**Registered Office:** D/37-1, TTC Industrial Area, MIDC Turbhe, Navi Mumbai 400 703; **Tel:** (91 22) 2762 2762; **Fax:** (91 22) 2768 2409

**Contact Person:** Ramjee Dorai, Company Secretary and Compliance Officer;

**E-mail:** ramjee.d@thyrocare.com; **Website:** www.thyrocare.com;

**Corporate Identity Number:** U85110MH2000PLC123882

#### PROMOTERS OF OUR COMPANY: DR. A. VELUMANI AND A. SUNDARARAJU

**PUBLIC OFFER OF UP TO 10,744,708 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE “EQUITY SHARES”) OF THYROCARE TECHNOLOGIES LIMITED (OUR “COMPANY” OR THE “ISSUER”) FOR CASH, AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) THROUGH AN OFFER FOR SALE BY THE SELLING SHAREHOLDERS (AS DEFINED IN THE SECTION ENTITLED “DEFINITIONS AND ABBREVIATIONS” ON PAGE 7) AGGREGATING UP TO ₹ [●] MILLION (THE “OFFER”). FOR DETAILS OF THE EQUITY SHARES OFFERED BY EACH SELLING SHAREHOLDER, SEE SECTION ENTITLED “DEFINITIONS AND ABBREVIATIONS – OFFER RELATED TERMS – OFFER/OFFER FOR SALE” ON PAGE 6.**

**THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, AND WILL BE ADVERTISED AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE, IN ALL EDITIONS OF ENGLISH NATIONAL DAILY NEWSPAPER FINANCIAL EXPRESS, ALL EDITIONS OF HINDI NATIONAL DAILY NEWSPAPER JANSATTA AND THE MUMBAI EDITION OF THE MARATHI NEWSPAPER, NAVSHAKTI, EACH WITH A WIDE CIRCULATION, IN ACCORDANCE WITH THE SEBI REGULATIONS.**

In case of any revisions in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the websites of the BRLMs, Registrar and Share Transfer Agent to the Offer and Depository Participants, and at the terminals of the Syndicate Members.

In terms of Rule 19(2)(b)(ii) of the SCRR, as amended, this is an Offer for at least such percentage of the post-Offer Equity Share capital of the Company that will be equivalent to at least ₹ 4,000 million, calculated at the Offer Price. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and Selling Shareholders, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be 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 QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be allocated on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be allocated to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders, other than Anchor Investors, shall mandatorily participate in this Offer through the ASBA Process providing details of their respective bank accounts which will be blocked by the relevant SCSBs. Anchor Investors are not permitted to participate in the Offer through ASBA Process. For details, see section entitled “Offer Procedure” on page 382.

#### RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 per Equity Share. The Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Offer Price (determined and justified by our Company in consultation with the Selling Shareholders and the BRLMs as stated under the section entitled “Basis for the Offer Price” on page 93) 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 or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this 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 this 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 offered in the Offer have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section entitled “Risk Factors” on page 14.

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

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further each Selling Shareholder, severally and not jointly, accepts responsibility that this Draft Red Herring Prospectus contains all information about him or it as a Selling Shareholder in the context of the Offer and assumes responsibility only for statements in relation to such Selling Shareholder included in this Draft Red Herring Prospectus and the respective proportion of the Equity Shares offered by him or it in the Offer and such statements are true, complete and correct in all material respects and are not misleading in any material respect.

#### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and NSE. Our Company has received an ‘in-principle’ approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to the letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be delivered to the Registrar of Companies for registration in accordance with Section 26(4) of the Companies Act, 2013. For details of material contracts and documents available for inspection from the date of the Red Herring prospectus up to the Bid/Offer Closing Date, see section entitled “Material Contracts and Documents for Inspection” on page 438.

#### BOOK RUNNING LEAD MANAGERS

#### REGISTRAR AND SHARE TRANSFER AGENT TO THE OFFER

|                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <b>JM Financial Institutional Securities Limited***</b><br>7 <sup>th</sup> Floor, Energy Building<br>Appasaheb Marathe Marg,<br>Prabhadevi, Mumbai 400 025<br>Tel: (91 22) 6630 3030<br>Fax: (91 22) 6630 3330<br>E-mail: thyrocare.ipo@jmfml.com<br>Investor Grievance E-mail:<br>grievance.ibd@jmfml.com<br>Website: www.jmfml.com<br>Contact Person: Lakshmi Lakshmanan<br>SEBI Registration No.: INM000010361 | <b>Edelweiss Financial Services Limited</b><br>14 <sup>th</sup> Floor, Edelweiss House<br>Off C.S.T. Road<br>Kalina, Mumbai 400 098<br>Tel: (91 22) 4009 4400<br>Fax: (91 22) 4086 3610<br>E-mail: tl.ipo@edelweissfin.com<br>Investor Grievance E-mail:<br>customerservice.mnb@edelweissfin.com<br>Website: www.edelweissfin.com<br>Contact Person: Sandeep Maheshwari<br>SEBI Registration No.: INM0000010650 | <b>ICICI Securities Limited</b><br>ICICI Centre, H.T. Parekh Marg<br>Churchgate<br>Mumbai 400 020<br>Tel : (91 22) 2288 2460<br>Fax : (91 22) 2282 6580<br>E-mail: thyrocare.ipo@icicisecurities.com<br>Investor Grievance E-mail:<br>customercare@icicisecurities.com<br>Website: www.icicisecurities.com<br>Contact Person: Amit Joshi/ Vishal Kanjani<br>SEBI Registration No.: INM000011179 | <b>Link Intime India Private Limited</b><br>C-13, Pannalal Silk Mills Compound<br>L.B.S. Marg<br>Bhandup (West), Mumbai 400 078<br>Maharashtra, India<br>Tel : (91 22) 6171 5400<br>Fax : (91 22) 2596 0329<br>E-mail: ttl.ipo@linkintime.co.in<br>Investor Grievance E-mail: ttl.ipo@linkintime.co.in<br>Website: www.linkintime.co.in<br>Contact Person: Shanti Gopalkrishnan<br>SEBI Registration No.: INR000004058 |

#### BID/OFFER PROGRAMME

|                             |       |
|-----------------------------|-------|
| <b>BID/OFFER OPENS ON:</b>  | [●]** |
| <b>BID/OFFER CLOSES ON:</b> | [●]** |

\* Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

\*\* Our Company and the Selling Shareholders may, in consultation with BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI Regulations.

\*\*\*Formerly JM Financial Institutional Securities Private Limited

## TABLE OF CONTENTS

|                                                                                              |            |
|----------------------------------------------------------------------------------------------|------------|
| <b>SECTION I: GENERAL .....</b>                                                              | <b>1</b>   |
| DEFINITIONS AND ABBREVIATIONS.....                                                           | 1          |
| CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA.....                | 11         |
| FORWARD-LOOKING STATEMENTS.....                                                              | 13         |
| <b>SECTION II.....</b>                                                                       | <b>14</b>  |
| RISK FACTORS.....                                                                            | 14         |
| <b>SECTION III: INTRODUCTION .....</b>                                                       | <b>44</b>  |
| SUMMARY OF INDUSTRY .....                                                                    | 44         |
| SUMMARY OF BUSINESS .....                                                                    | 47         |
| SUMMARY FINANCIAL INFORMATION.....                                                           | 54         |
| THE OFFER.....                                                                               | 62         |
| GENERAL INFORMATION.....                                                                     | 63         |
| CAPITAL STRUCTURE.....                                                                       | 71         |
| OBJECTS OF THE OFFER.....                                                                    | 92         |
| BASIS FOR THE OFFER PRICE.....                                                               | 93         |
| STATEMENT OF TAX BENEFITS.....                                                               | 96         |
| <b>SECTION IV: ABOUT THE COMPANY .....</b>                                                   | <b>98</b>  |
| INDUSTRY OVERVIEW.....                                                                       | 98         |
| OUR BUSINESS.....                                                                            | 115        |
| REGULATIONS AND POLICIES .....                                                               | 136        |
| HISTORY AND CERTAIN CORPORATE MATTERS.....                                                   | 142        |
| OUR SUBSIDIARY.....                                                                          | 149        |
| OUR MANAGEMENT.....                                                                          | 151        |
| OUR PROMOTERS AND PROMOTER GROUP .....                                                       | 166        |
| OUR GROUP COMPANIES .....                                                                    | 169        |
| RELATED PARTY TRANSACTIONS.....                                                              | 174        |
| DIVIDEND POLICY .....                                                                        | 175        |
| <b>SECTION V: FINANCIAL INFORMATION.....</b>                                                 | <b>176</b> |
| FINANCIAL STATEMENTS.....                                                                    | 176        |
| MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL INFORMATION AND RESULTS OF OPERATION ..... | 294        |
| <b>SECTION VI: LEGAL AND OTHER INFORMATION.....</b>                                          | <b>334</b> |
| OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS .....                                       | 334        |
| GOVERNMENT AND OTHER APPROVALS .....                                                         | 354        |
| OTHER REGULATORY AND STATUTORY DISCLOSURES.....                                              | 359        |
| <b>SECTION VII: OFFER INFORMATION.....</b>                                                   | <b>374</b> |
| TERMS OF THE OFFER .....                                                                     | 374        |
| OFFER STRUCTURE .....                                                                        | 379        |
| OFFER PROCEDURE.....                                                                         | 382        |
| RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES .....                                 | 429        |
| <b>SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION .....</b>                    | <b>430</b> |
| <b>SECTION IX: OTHER INFORMATION .....</b>                                                   | <b>438</b> |
| MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION.....                                         | 438        |
| DECLARATION.....                                                                             | 441        |

## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or it is specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made under that provision.*

*The words and expressions used in this Draft Red Herring Prospectus, but not defined herein shall have the meaning ascribed to such terms under the SEBI Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.*

*Notwithstanding the foregoing, the terms not defined but used in the sections entitled “Statement of Tax Benefits”, “Financial Statements”, “Outstanding Litigation and Material Developments” and “Main Provisions of the Articles of Association” on pages 96, 176, 334 and 430, respectively, shall have the meanings ascribed to such terms in these respective sections.*

#### General Terms

| Term                                         | Description                                                                                                                                                                             |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Our Company”, “The Company” or the “Issuer” | Thyrocare Technologies Limited, a company incorporated under the Companies Act, 1956, and having its registered office at D/37-1, TTC Industrial Area, MIDC Turbhe, Navi Mumbai 400 703 |
| “Our Subsidiary” or “NHL”                    | Nuclear Healthcare Limited, a wholly owned subsidiary of our Company. For details of our Subsidiary, see section entitled “ <i>Our Subsidiary</i> ” on page 149                         |
| “we”, “our” or “us”                          | Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiary                                                                                   |

#### Company Related Terms

| Term                                   | Description                                                                                                                                                                                                 |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Agalia                                 | Agalia Private Limited                                                                                                                                                                                      |
| Agalia CCDs                            | CCDs allotted to Agalia                                                                                                                                                                                     |
| Articles of Association/ Articles/ AoA | Articles of Association of our Company                                                                                                                                                                      |
| Statutory Auditors                     | Statutory auditors of our Company, being B S R & Co. LLP, Chartered Accountants                                                                                                                             |
| BCCL                                   | Bennett, Coleman & Company Limited                                                                                                                                                                          |
| BCCL CCDs                              | CCDs allotted to BCCL                                                                                                                                                                                       |
| BIO RAD                                | Bio-Rad Laboratories (India) Private Limited                                                                                                                                                                |
| Board/ Board of Directors              | Board of directors of our Company (including, a duly constituted committee thereof), unless otherwise specified                                                                                             |
| Corporate Office                       | Corporate office of our Company situated at D/37-3, TTC Industrial Area, MIDC Turbhe, Navi Mumbai 400 703                                                                                                   |
| Director(s)                            | Director(s) of our Company. For further details in relation to our Directors, please see section entitled “ <i>Our Management</i> ” on page 151                                                             |
| EIF                                    | Emerging India Fund                                                                                                                                                                                         |
| ESOP- I                                | Thyrocare Employee Stock Option Plan, 2014                                                                                                                                                                  |
| ESOP- II                               | Thyrocare Employee Stock Option Plan, 2015                                                                                                                                                                  |
| ESOP Schemes                           | Collectively, ESOP- I and ESOP- II                                                                                                                                                                          |
| Equity Shares                          | Equity shares of our Company of face value of ₹ 10 each                                                                                                                                                     |
| Group Companies                        | Companies which are covered under the applicable accounting standards and other companies as considered material by our Board. For details, see section entitled “ <i>Our Group Companies</i> ” on page 169 |
| Key Management Personnel               | Key management personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013. For details, see section entitled “ <i>Our Management</i> ” on page 164                               |
| MAPL                                   | Mahima Advertising Private Limited                                                                                                                                                                          |

| <b>Term</b>                                | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MoA/ Memorandum of Association             | Memorandum of association of our Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| NHL Restated Financial Statements          | The standalone summary financial information examined in accordance with the generally accepted auditing standards in India of our Subsidiary as of and for each of the Fiscals ended March 31 2015, 2014, 2013, 2012, 2011 and the six month period ended September 30, 2015, restated in accordance with the requirements of the Companies Act, 2013, and the SEBI Regulations together with the schedules and notes thereto and which has been disclosed in the section entitled “ <i>Financial Statements</i> ” on page 260 |
| NVP                                        | Norwest Venture Partners VII-A, Mauritius                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| PCPL                                       | Pavilion Commercial Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Promoters                                  | Promoters of our Company, namely, Dr. A. Velumani and A. Sundararaju For details, see section entitled “ <i>Our Promoters and Promoter Group</i> ” on page 166                                                                                                                                                                                                                                                                                                                                                                  |
| Promoter Group                             | Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI Regulations and disclosed in section entitled “ <i>Our Promoters and Promoter Group</i> ” on page 167                                                                                                                                                                                                                                                                                                           |
| Registered Office                          | Registered office of our Company, located at D/37-1, TTC Industrial Area, MIDC Turbhe, Navi Mumbai 400703                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Registrar of Companies/ RoC                | Registrar of Companies, Mumbai located at 100, Everest, Marine Drive, Mumbai 400 002                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Restated Consolidated Financial Statements | The consolidated summary financial information examined in accordance with the generally accepted auditing standards in India of our Company and Subsidiary as of and for the Fiscal ended March 31, 2015 and the six month period ended September 30, 2015, restated in accordance with the requirements of the Companies Act, 2013, and the SEBI Regulations together with the schedules and notes thereto                                                                                                                    |
| Restated Standalone Financial Statements   | The standalone summary financial information examined in accordance with the generally accepted auditing standards in India of our Company as of and for each of the Fiscals ended March 31 2015, 2014, 2013, 2012, 2011 and the six month period ended September 30, 2015, restated in accordance with the requirements of the Companies Act, 2013, and the SEBI Regulations together with the schedules and notes thereto                                                                                                     |
| Restated Financial Statements              | The Restated Consolidated Financial Statements and Restated Standalone Financial Statements which have been disclosed in the section entitled “ <i>Financial Statements</i> ” on page 176                                                                                                                                                                                                                                                                                                                                       |
| SCPL                                       | Sumathi Construction Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| SIPL                                       | Sumathi Infra Project Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Shareholders                               | Shareholders of our Company from time to time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| TAGs                                       | Thyrocare Aggregators                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| TBPL                                       | Thyrocare Biotech Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| TDPL                                       | Thyrocare Diagnostics Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| TGL                                        | Thyrocare Gulf Laboratories WLL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| THL                                        | Thyrocare Hospitals Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| TIHCM                                      | Thyrocare International Holding Co., Mauritius                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| TIL                                        | Thyrocare International Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| TMC                                        | Thyrocare Metabolic Clinic                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| TSPs                                       | Thyrocare Service Provider(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Thyrocare Properties                       | Thyrocare Properties and Infrastructure Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Thyrocare Publications                     | Thyrocare Publications Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Total Diagnostics                          | Total T3T4TSH Diagnostics Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

#### **Offer Related Terms**

| <b>Term</b>                | <b>Description</b>                                                                                                      |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Acknowledgement Slip       | The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid              |
| Allotment/ Allot/ Allotted | The transfer of the Equity Shares offered by the Selling Shareholders, pursuant to the Offer, to the successful Bidders |

| <b>Term</b>                                      | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Allottee                                         | A successful Bidder to whom the Equity Shares are Allotted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Allotment Advice                                 | Note, advice or intimation of Allotment sent to the 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                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Anchor Investor                                  | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI Regulations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Anchor Investor Allocation Price                 | Price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Selling Shareholder in consultation with the BRLMs                                                                                                                                                                                                                                                                                                                                                                                                               |
| Anchor Investor Application Form                 | The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Anchor Investor Bid/Offer Period                 | One Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Anchor Investor Portion                          | Up to 60% of the QIB Portion consisting of up to 3,223,411 Equity Shares which may be allocated by our Company and the Selling Shareholders, in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price                                                                                                                                                                                                           |
| Application Supported by Blocked Amount or ASBA  | An application, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| ASBA Account                                     | An account maintained with an SCSB and specified in the Bid cum Application Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| ASBA Bid                                         | A Bid made by an ASBA Bidder                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| ASBA Bidder                                      | Bidders (other than Anchor Investors) in the Offer who intend to submit the Bid through the ASBA process                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Banker(s) to the Offer/Escrow Collection Bank(s) | Banks which are clearing members and registered with SEBI as bankers to an offer and with whom the Escrow Account will be opened, in this case being [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Basis of Allotment                               | Basis on which the Equity Shares will be Allotted to successful Bidders under the Offer and which is described in the section entitled “Offer Procedure” on page 416                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Bid                                              | An indication to make an offer during the Bid/Offer Period by a Bidder pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to purchase the Equity Shares from the Selling Shareholders at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI Regulations                                                                                                                                                                                                                                              |
| Bid Amount                                       | The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid in the Offer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Bid cum Application Form                         | An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus                                                                                                                                                                                                                                                                                                                                                                                                    |
| Bid/Offer Closing Date                           | <p>Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in: all editions of the English national newspaper Financial Express, all editions of the Hindi national newspaper Jansatta, and Mumbai edition of the Marathi newspaper, Navshakti, each with wide circulation.</p> <p>Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI Regulations</p> |
| Bid/Offer Opening Date                           | Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

| Term                                        | Description                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                             | which shall be notified in: all editions of the English national newspaper Financial Express, all editions of the Hindi national newspaper Jansatta, and Mumbai edition of the Marathi newspaper, Navshakti, each with wide circulation                                                                                                                 |
| Bid/Offer Period                            | Except in relation to any Bids received from Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof                                                                                            |
| Bid Lot                                     | [●]                                                                                                                                                                                                                                                                                                                                                     |
| Bidder                                      | Any prospective investor who makes 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                                                                                                                                                       |
| Book Building Process                       | The book building process, as provided in Schedule XI of the SEBI Regulations, in terms of which the Offer is being made                                                                                                                                                                                                                                |
| Broker Centres                              | Broker centers notified by the Stock Exchanges where Bidders can submit the Bid cum Application Forms to a Registered Broker.<br><br>The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the respective Stock Exchanges                                             |
| Book Running Lead Managers/ BRLMs           | Book running lead managers to the Offer, being JM Financial, Edelweiss and I-Sec                                                                                                                                                                                                                                                                        |
| Bidding Centers                             | Centers at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e, Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs                                                                     |
| CAN/Confirmation of Allocation Note         | Notice or advice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period                                                                                                                                                                       |
| Cap Price                                   | Higher end of the Price Band, in this case being ₹ [●] per Equity Share, above which the Offer Price will not be finalized and above which no Bids will be accepted                                                                                                                                                                                     |
| Client ID                                   | Client identification number maintained with one of the Depositories in relation to demat account                                                                                                                                                                                                                                                       |
| Collecting Depository Participant or CDP    | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI                                                                                               |
| Cut-off Price                               | Offer Price, finalized by our Company and the Selling Shareholders in consultation with BRLMs.<br><br>Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price                                                                                          |
| Demat Escrow Agent                          | The escrow agent appointed pursuant to the Share Escrow Agreement, namely, [●]                                                                                                                                                                                                                                                                          |
| Demographic Details                         | Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details                                                                                                                                                                                |
| Designated Intermediaries /Collecting Agent | Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Offer                                                                                                                                                      |
| Designated SCSB Branches                    | Such branches of the SCSBs which shall collect the Bid cum Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/3">http://www.sebi.gov.in/sebiweb/home/list/5/3</a><br>3/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time |
| Designated Date                             | The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Accounts and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the                                                                                                                   |

| Term                               | Description                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                    | Refund Account, as appropriate, after filing of the Prospectus with the RoC, following which the board of directors may give delivery instructions for the transfer of the Equity Shares constituting the Offer                                                                                                                                                                                                   |
| Designated CDP Locations           | Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants.<br><br>The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| Designated RTA Locations           | Such locations of the RTAs where Bidders can submit the Bid cum Application Forms to RTAs.<br>The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)                                                                 |
| Designated Stock Exchange          | [●]                                                                                                                                                                                                                                                                                                                                                                                                               |
| Draft Red Herring Prospectus/ DRHP | This Draft Red Herring Prospectus dated December 30, 2015 issued in accordance with the SEBI Regulations, which does not contain complete particulars of the price at which the Equity Shares will be transferred and the size of the Offer, including any addendum or corrigendum thereto                                                                                                                        |
| Edelweiss                          | Edelweiss Financial Services Limited                                                                                                                                                                                                                                                                                                                                                                              |
| Eligible NRI(s)                    | NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares                                                                                                                                                   |
| Engagement Letter                  | The engagement letter dated December 28, 2015 between our Company, the Selling Shareholders and JM Financial, Edelweiss and I-Sec                                                                                                                                                                                                                                                                                 |
| Escrow Account                     | Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will issue cheques or drafts or transfer funds in respect of the Bid Amount when submitting a Bid                                                                                                                                                                                                                      |
| Escrow Agreement                   | The agreement dated [●] to be entered into by our Company, the Selling Shareholders, the Registrar and Share Transfer Agent to the Offer, the BRLMs, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof                           |
| First Bidder                       | Bidder whose name shall be 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                        | Lower end of the Price Band, in this case being ₹ [●] per Equity Share , subject to any revision thereto, at or above which the Offer Price will be finalised and below which no Bids will be accepted in the Offer                                                                                                                                                                                               |
| General Information Document/GID   | The General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI, suitably modified and included in “Offer Procedure” on page 392                                                                                                                                                                                               |
| I-Sec                              | ICICI Securities Limited                                                                                                                                                                                                                                                                                                                                                                                          |
| JM Financial                       | JM Financial Institutional Securities Limited                                                                                                                                                                                                                                                                                                                                                                     |
| Maximum RIB Allottees              | The maximum number of Retail Individual Bidders who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to Retail Individual Bidders by the minimum Bid Lot                                                                                                                                                                               |
| Mutual Fund Portion                | 5% of the QIB Portion (excluding the Anchor Investor Portion), or 107,448 Equity Shares which shall be available for allocation to Mutual Funds only                                                                                                                                                                                                                                                              |
| Non-Institutional Bidders          | All Bidders, including, sub accounts of FIIs which are foreign corporate or foreign individuals and Category III foreign portfolio investors that are not QIBs or Retail Individual Bidders and who have Bid for the Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)                                                                                            |

| Term                                                  | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Non-Institutional Portion                             | The portion of the Offer being not less than 15% of the Offer, comprising of 1,611,707 Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price                                                                                                                                                                                                                                                                                                                                                               |
| Offer/Offer for Sale                                  | The offer for sale of up to 10,744,708 Equity Shares comprising an offer for sale of: (i) up to 10,207,472 Equity Shares offered by Agalia; (ii) up to 180,000 Equity Shares offered by A. Sundararaju HUF; (iii) up to 180,000 Equity Shares offered by A. Velumani HUF; and (iv) up to 177,236 Equity Shares offered by Anand Velumani, for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] million, in terms of the Red Herring Prospectus                                                                                                                                                                       |
| Offer Agreement                                       | The agreement dated December 29, 2015 between our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Offer Price                                           | The final price at which the Equity Shares will be Allotted to Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at or above the Offer Price.<br><br>The Offer Price will be decided by our Company, in consultation with the Selling Shareholders and the BRLMs on the Pricing Date                                                                                                                                                                                                                                                                                                         |
| Offer Proceeds                                        | The proceeds of the Offer. For details, see section entitled “ <i>Objects of the Offer</i> ” on page 92                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Price Band                                            | Price Band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price), including any revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and will be advertised at least five Working Days prior to the Bid/Offer Opening Date in: all editions of the English national newspaper Financial Express, all editions of the Hindi national newspaper Jansatta, and the Mumbai edition of the Marathi newspaper, Navshakti, each with wide circulation |
| Pricing Date                                          | Date on which our Company, in consultation with Selling Shareholders and BRLMs, will finalise the Offer Price                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Prospectus                                            | The Prospectus to be filed with the Registrar of Companies after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI Regulations containing, amongst other things, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information                                                                                                                                                                                                                                                                                             |
| Public Offer Account                                  | Account opened with the Bankers to the Offer to receive monies from the Escrow Account(s) and from the ASBA Accounts on the Designated Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| QIB Portion                                           | The portion of the Offer (including the Anchor Investor Portion) amounting to not more than 50% of the Offer being up to 5,372,353 Equity Shares, which shall be Allotted to QIBs (including the Anchor Investors)                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Qualified Institutional Buyers or QIBs or QIB Bidders | Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Red Herring Prospectus or RHP                         | The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI Regulations, which will not have complete particulars of the Offer Price at which the Equity Shares will be offered and the size of the Offer.<br><br>The Red Herring Prospectus will be registered with the Registrar of Companies at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the Registrar of Companies after the Pricing Date                                                                                                |
| Refund Account(s)                                     | Account 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)                                        | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Refunds through electronic transfer of funds          | Refunds through NECS, direct credit, RTGS or NEFT, as applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Registered Brokers                                    | Stock brokers registered with the stock exchanges having nationwide terminals,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |



| Term                                                      | Description                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                           | other than the Members of the Syndicate                                                                                                                                                                                                                                                                                                                                                                                                          |
| Registrar and Share Transfer Agents or RTAs               | Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI                                                                                                                                                                                                                                 |
| Registrar Agreement                                       | The agreement dated December 29, 2015 between our Company, the Selling Shareholders and the Registrar and Share Transfer Agent to the Offer in relation to the responsibilities and obligations of the Registrar and Share Transfer Agent to the Offer pertaining to the Offer                                                                                                                                                                   |
| Registrar and Share Transfer Agent to the Offer/Registrar | Link Intime India Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                |
| Retail Individual Bidder(s)/ RIB(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 Offer being not less than 35% of the Offer comprising of 3,760,648 Equity Shares which shall be available for allocation to Retail Individual Bidder(s), which shall not be less than the minimum Bid Lot in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price                                                                                                           |
| Revision Form                                             | Form used by the Bidders, including ASBA Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision form(s).<br><br>QIB Bidders and Non-Institutional Bidders are not allowed to lower their Bids (in terms of quantity and of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders cannot revise their Bids after the Bid/Offer Closing Date |
| Self Certified Syndicate Bank(s) or SCSB(s)               | Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html</a>                                                                                                                                                                    |
| Selling Shareholders                                      | Agalia, A. Velumani HUF, A. Sundararaju HUF, and Anand Velumani                                                                                                                                                                                                                                                                                                                                                                                  |
| Share Escrow Agreement                                    | The agreement dated [●] to be entered into amongst the Selling Shareholders, our Company, the BRLMs and the Demat 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 accounts of the Allottees                                                                                                                                              |
| Specified Locations                                       | Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> and updated from time to time                                                                                                                  |
| Syndicate Agreement                                       | The agreement dated [●] to be entered into among the BRLMs, the Syndicate Members, our Company and the Selling Shareholders in relation to collection of Bid cum Application Forms by Syndicate Members                                                                                                                                                                                                                                          |
| Syndicate Members                                         | Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]                                                                                                                                                                                                                                                                                                                                     |
| Syndicate/Members of the Syndicate                        | BRLMs and the Syndicate Members                                                                                                                                                                                                                                                                                                                                                                                                                  |
| TRS/Transaction Registration Slip                         | Slip or document issued by the Syndicate, or the Designated Intermediary (only on demand), as the case may be, to the Bidders as proof of registration of the Bid                                                                                                                                                                                                                                                                                |
| Underwriters                                              | BRLMs and the Syndicate Members                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Underwriting Agreement                                    | The agreement dated [●] amongst the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date                                                                                                                                                                                                                                                                                                       |
| Working Day                                               | Any day, other than 2 <sup>nd</sup> and 4 <sup>th</sup> Saturday of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, “Working Days” shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India                                   |

### Technical/Industry Related Terms

| Term   | Description                                                           |
|--------|-----------------------------------------------------------------------|
| AERB   | Atomic Energy Regulatory Board                                        |
| CAP    | College of American Pathologists                                      |
| CLIA   | Chemiluminescence Immunoassay                                         |
| CPL    | Central Processing Laboratory                                         |
| DALYs  | Disability-adjusted life years                                        |
| ELISA  | Enzyme Linked Immunosorbent Assay                                     |
| ERP    | Enterprise Resource Planning                                          |
| FDG    | <sup>18</sup> F-FDG (fluorodeoxyglucose)                              |
| HPLC   | High Performance Liquid Chromatography                                |
| ICP-MS | Induction Coupled Plasma – Mass Spectrometry                          |
| ISO    | International Organization of Standardization                         |
| LAN    | Local Area Network                                                    |
| LC-MS  | Liquid Chromatography Mass Spectrometry                               |
| LIMS   | Laboratory Information Management System                              |
| LIS    | Laboratory information system                                         |
| NABL   | National Accreditation Board for Testing and Calibration Laboratories |
| NSSO   | National Sample Survey Organisation                                   |
| OLC    | Online client system                                                  |
| PET-CT | Positron Emission Tomography- Computed Tomography                     |
| PNDT   | Pre-Natal Diagnostic Techniques Act                                   |
| RPL    | Regional Processing Laboratories                                      |
| WAN    | Wide Area Network                                                     |
| WHO    | World Health Organisation                                             |

### Conventional Terms/ Abbreviations

| Term                                       | Description                                                                                                                                                                                                  |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AGM                                        | Annual General Meeting                                                                                                                                                                                       |
| AIF                                        | Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012                                        |
| AS/Accounting Standards                    | Accounting Standards issued by the Institute of Chartered Accountants of India                                                                                                                               |
| BSE                                        | BSE Limited                                                                                                                                                                                                  |
| CAGR                                       | Compounded Annual Growth Rate computed as: $CAGR = \frac{\text{ending value} - \text{starting value}}{\text{number of years}} - 1$                                                                           |
| CCDs                                       | Compulsory Convertible Debentures                                                                                                                                                                            |
| CDSL                                       | Central Depository Services (India) Limited                                                                                                                                                                  |
| CFO                                        | Chief Financial Officer                                                                                                                                                                                      |
| CIN                                        | Corporate Identity Number                                                                                                                                                                                    |
| CRISIL                                     | Credit Rating Information Services of India Limited                                                                                                                                                          |
| CSR                                        | Corporate social responsibility                                                                                                                                                                              |
| Category I Foreign Portfolio Investor(s)   | FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations                                                                                                           |
| Category II Foreign Portfolio Investor(s)  | FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations                                                                                                          |
| Category III foreign portfolio investor(s) | FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations                                                                                                         |
| Companies Act                              | Companies Act, 1956 and Companies Act, 2013, as applicable                                                                                                                                                   |
| Companies Act, 1956                        | Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) alongwith the relevant rules made thereunder. |
| Companies Act, 2013                        | Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder                                               |
| Depositories                               | NSDL and CDSL                                                                                                                                                                                                |

| Term                                 | Description                                                                                                                                                                                                                                                                                                                |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Depositories Act                     | The Depositories Act, 1996                                                                                                                                                                                                                                                                                                 |
| DIN                                  | Director Identification Number                                                                                                                                                                                                                                                                                             |
| DP ID                                | Depository Participant's Identification                                                                                                                                                                                                                                                                                    |
| DP/Depository Participant            | A depository participant as defined under the Depositories Act                                                                                                                                                                                                                                                             |
| EBITDA                               | Earnings before Interest, Tax, Depreciation and Amortisation                                                                                                                                                                                                                                                               |
| EGM                                  | Extraordinary General Meeting                                                                                                                                                                                                                                                                                              |
| EPS                                  | Earnings Per Share                                                                                                                                                                                                                                                                                                         |
| FCNR Account                         | Foreign Currency Non-resident Account                                                                                                                                                                                                                                                                                      |
| FDI                                  | Foreign Direct Investment                                                                                                                                                                                                                                                                                                  |
| FDI Policy                           | Consolidated Foreign Direct Investment Policy notified by the DIPP under D/o IPP F. No. 5(1)/2015-FC-1 dated May 12, 2015, effective from May 12, 2015                                                                                                                                                                     |
| FEMA                                 | Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto                                                                                                                                                                                                                    |
| FEMA Regulations                     | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000                                                                                                                                                                                                           |
| FII(s)                               | Foreign institutional investors as defined under the SEBI FPI Regulations                                                                                                                                                                                                                                                  |
| Financial Year/Fiscal/FY/Fiscal Year | Unless stated otherwise, the period of 12 months ending March 31 of that particular year                                                                                                                                                                                                                                   |
| FIPB                                 | Foreign Investment Promotion Board                                                                                                                                                                                                                                                                                         |
| FIR                                  | First Information Report                                                                                                                                                                                                                                                                                                   |
| FPI(s)                               | A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations provided that any FII who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations |
| FVCI                                 | Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI FVCI Regulations                                                                                                                                                                                                                      |
| GDP                                  | Gross Domestic Product                                                                                                                                                                                                                                                                                                     |
| GIR                                  | General Index Register                                                                                                                                                                                                                                                                                                     |
| GoI/Government                       | Government of India                                                                                                                                                                                                                                                                                                        |
| HUF                                  | Hindu Undivided Family                                                                                                                                                                                                                                                                                                     |
| ICAI                                 | The Institute of Chartered Accountants of India                                                                                                                                                                                                                                                                            |
| IFRS                                 | International Financial Reporting Standards                                                                                                                                                                                                                                                                                |
| IRDA                                 | Insurance Regulatory and Development Authority of India                                                                                                                                                                                                                                                                    |
| Income Tax Act/I.T. Act              | The Income Tax Act, 1961                                                                                                                                                                                                                                                                                                   |
| Ind AS                               | Indian Accounting Standards                                                                                                                                                                                                                                                                                                |
| Indian GAAP                          | Generally Accepted Accounting Principles in India                                                                                                                                                                                                                                                                          |
| IPO                                  | Initial Public Offering                                                                                                                                                                                                                                                                                                    |
| IT                                   | Information Technology                                                                                                                                                                                                                                                                                                     |
| Listing Regulations                  | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015                                                                                                                                                                                                                 |
| MICR                                 | Magnetic Ink Character Recognition                                                                                                                                                                                                                                                                                         |
| MIDC                                 | Maharashtra Industrial Development Corporation                                                                                                                                                                                                                                                                             |
| Mn                                   | Million                                                                                                                                                                                                                                                                                                                    |
| Mutual Funds                         | Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996                                                                                                                                                                                                        |
| National Investment Fund             | National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India                                                                                                                                                                                  |
| NAV                                  | Net Asset Value                                                                                                                                                                                                                                                                                                            |
| NECS                                 | National Electronic Clearing Services                                                                                                                                                                                                                                                                                      |
| NEFT                                 | National Electronic Fund Transfer                                                                                                                                                                                                                                                                                          |
| NR/Non-Resident                      | A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI                                                                                                                                                                                   |
| NRE Account                          | Non Resident External Account                                                                                                                                                                                                                                                                                              |
| NRI                                  | A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000                                                                                                                   |
| NRO Account                          | Non Resident Ordinary Account                                                                                                                                                                                                                                                                                              |

| Term                            | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 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 FEMA. OCBs are not allowed to invest in the Offer |
| p.a.                            | Per annum                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| P/E Ratio                       | Price/Earnings ratio                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| PAN                             | Permanent Account Number                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| PAT                             | Profit After Tax                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| RBI                             | Reserve Bank of India                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| ROCE                            | Return on Capital Employed                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| RoNW                            | Return on Net Worth                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| ₹/Rs./Rupees                    | Indian Rupees                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| RTGS                            | Real Time Gross Settlement                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Rule 144A                       | Rule 144A under the Securities Act                                                                                                                                                                                                                                                                                                                                                                                                                                |
| SCRA                            | Securities Contracts (Regulation) Act, 1956                                                                                                                                                                                                                                                                                                                                                                                                                       |
| SCRR                            | Securities Contracts (Regulation) Rules, 1957                                                                                                                                                                                                                                                                                                                                                                                                                     |
| SEBI                            | The Securities and Exchange Board of India constituted under the SEBI Act, 1992                                                                                                                                                                                                                                                                                                                                                                                   |
| SEBI Act                        | Securities and Exchange Board of India Act, 1992                                                                                                                                                                                                                                                                                                                                                                                                                  |
| SEBI AIF Regulations            | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012                                                                                                                                                                                                                                                                                                                                                                          |
| SEBI FII Regulations            | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 as repealed pursuant to the SEBI FPI Regulations                                                                                                                                                                                                                                                                                                                       |
| SEBI FPI Regulations            | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014                                                                                                                                                                                                                                                                                                                                                                            |
| SEBI FVCI Regulations           | Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000                                                                                                                                                                                                                                                                                                                                                                       |
| SEBI Regulations                | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009                                                                                                                                                                                                                                                                                                                                                           |
| SEBI Takeover Regulations       | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011                                                                                                                                                                                                                                                                                                                                                        |
| SEBI Takeover Regulations, 1997 | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997                                                                                                                                                                                                                                                                                                                                                        |
| SEBI VCF Regulations            | Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations                                                                                                                                                                                                                                                                                                                                 |
| Securities Act                  | U.S. Securities Act of 1933, as amended                                                                                                                                                                                                                                                                                                                                                                                                                           |
| SICA                            | Sick Industrial Companies (Special Provisions) Act, 1985                                                                                                                                                                                                                                                                                                                                                                                                          |
| Sq. Ft./sq. ft.                 | Square feet                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| State Government                | The government of a State in India                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Stock Exchanges                 | BSE and NSE                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| TDS                             | Tax deducted at source                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| UK                              | United Kingdom                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| US/United States/U.S.A.         | United States of America, its territories and possessions, any state of the United States and the District of Columbia                                                                                                                                                                                                                                                                                                                                            |
| US GAAP                         | Generally Accepted Accounting Principles in the United States of America                                                                                                                                                                                                                                                                                                                                                                                          |
| USD/US\$                        | United States Dollars                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| VAT                             | Value added tax                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| VCFs                            | Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations as the case may be                                                                                                                                                                                                                                                                                                                        |
| Year/ Calendar Year             | Unless context otherwise requires, shall refer to the twelve month period ending December 31                                                                                                                                                                                                                                                                                                                                                                      |

## **CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

### **Certain Conventions**

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India and all references to the “U.S.,” “U.S.A.” or the “United States” are to the United States of America.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

### **Financial Data**

Unless the context provides otherwise or it is stated otherwise, financial data included in this Draft Red Herring Prospectus is derived from our Restated Financial Statements.

In this Draft Red Herring 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.

Our Company’s Financial Year or Fiscal commences on April 1 and ends on March 31 of the next year, so all references to particular Financial Year or Fiscal, unless stated otherwise, are to the 12 months period ended on March 31 of that year.

As on and for the Fiscals ended March 31, 2014, 2013, 2012, and 2011, our Company did not have any subsidiary and consequently, the Restated Consolidated Financial Statements are presented for the Fiscal ended March 31, 2015 and the six month period ended September 30, 2015. NHL became our subsidiary pursuant to the share purchase agreement dated May 28, 2014 and the transfer of Equity Shares on November 15, 2014. For further details, see section entitled “*Our Subsidiary*” on page 149. Accordingly, the NHL Restated Financial Statements are for the Fiscal 2015, 2014, 2013, 2012, 2011 and the six month period ended September 30, 2015.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. The reconciliation of the financial information to IFRS or U.S. GAAP financial information has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and we urge Bidders to consult their own advisors regarding such differences and their impact on our Company’s financial data. For details in connection with risks involving differences between Indian GAAP and IFRS, please see the section entitled “*Risk Factors – Public companies in India, including us, are required to prepare financial statements under Ind AS and compute Income Tax under the Income Computation and Disclosure Standards (the “ICDS”). The transition to Ind AS and ICDS in India is very recent and still unclear and we may be negatively affected by such transition*” on page 39. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons on the financial disclosures presented in this Draft Red Herring Prospectus not familiar with Indian accounting policies, Indian GAAP, the Companies Act, the SEBI Regulations and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections entitled “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 14, 115 and 294, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company.

### **Currency and Units of Presentation**

All references to:

- “BHD” are to the Bahraini Dinar, the official currency of Bahrain;
- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” are to United States Dollar, the official currency of the United States.

Except otherwise specified, our Company has presented certain numerical information in this Draft Red Herring Prospectus in “million” units. One million represents 1,000,000.

## Exchange Rates

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and other currencies:

(In ₹)

| Currency             | As on<br>March<br>31, 2011* | As on<br>March<br>30, 2012* | As on<br>March<br>28, 2013* | As on<br>Decemeber<br>31, 2013* | As on<br>March<br>28, 2014* | As on<br>December<br>31, 2014* | As on<br>March<br>31, 2015* | As on<br>September<br>30, 2015* |
|----------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------------|-----------------------------|--------------------------------|-----------------------------|---------------------------------|
| 1 USD <sup>(1)</sup> | 44.65                       | 51.16                       | 54.39                       | 61.90                           | 60.10                       | 63.33                          | 62.59                       | 65.74                           |
| 1 BHD <sup>(2)</sup> | -                           | -                           | -                           | 164.04                          | -                           | 167.59                         | -                           | -                               |

(1) RBI Reference Rate

(2) www.xe.com

\* Represents the last working day for the respective Fiscal

## Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as various industry publications and sources. Unless otherwise stated, industry information has been included from the report titled “Review on Indian Diagnostic Market” dated November, 2015 issued by CRISIL Research, a division of CRISIL Limited (the “**CRISIL Report**”). For details, please see the section entitled “*Industry Overview*” on page 98. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based solely on such information.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholders or the BRLMs or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue”, “seek to” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans, prospects or goals are also forward-looking statements. Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which is in turn based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based to be reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, BRLMs nor any of their respective affiliates or advisors 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. Moreover, 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.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with respect to, but not limited to, regulatory changes pertaining to the industry in India in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our Company’s exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation or deflation, unanticipated turbulence in any or all of interest rates or foreign exchange rates or both, equity prices and other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in the competitive environment.

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

- operating highly-competitive and fragmented industry and our business, financial condition and results of operations may be adversely affected if we are not able to compete effectively;
- negative publicity or other harm to our reputation, brand or customer perception of our brand;
- disruption in operations of any our laboratories or offerings of particular tests;
- delay or interruption in transportation of samples to the CPL and RPL and our dependence on hub-and-spoke business model complemented by the RPLs;
- failure to attract and retain authorized service providers;
- failure of our equipment, information technology and other technological systems; and
- changes in technologies and/or the introduction of new technology could reduce demand for our pathology testing services.

For further discussion on factors that could cause the actual results to differ from the expectations, please see sections entitled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 14, 115 and 294, respectively.

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

In accordance with the SEBI Regulations, our Company and the BRLMs will ensure that Bidders in India are informed of material developments from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

## SECTION II

### RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring 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, the Equity Shares, the industry in which we operate or the regions in which we operate, particularly India. If any one or some combination of the following risks or other risks which are not currently known or are now deemed immaterial actually occurs or were to occur, our business, results of operations, financial condition and prospects could suffer and the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below.*

*We have described the risks and uncertainties that our management believes are material but the risks set out in this Draft Red Herring Prospectus may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and the risks involved. Prospective investors should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this offer. To obtain a complete understanding of our business, you should read this section in conjunction with the sections entitled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation”, and our financial statements.*

*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 Draft Red Herring Prospectus also contains forward-looking statements, which refer to future events that involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. For further details, see the section entitled “Forward-Looking Statements” on page 13.*

*Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Standalone Financial Statements and are included in the section entitled “Financial Statements” on page 176.*

#### INTERNAL RISK FACTORS

- 1. We operate in a highly-competitive and fragmented industry, and our business, financial condition and results of operations may be adversely affected if we are not able to compete effectively.***

The diagnostic healthcare services industry in India is highly competitive and fragmented, with low-barriers to entry. We compete with both the organized sector, which comprises the private (non-hospital-based) diagnostic chains with strong infrastructure to support the commercialization of diagnostic services, and the unorganized sector, which comprises the hospital-based laboratories and standalone diagnostic centers. We anticipate this competition will continue to grow as the demand for diagnostic services increases and additional competitors enter the Indian market.

Hospitals generally maintain on-site laboratories to perform testing on their patients (inpatient and outpatient). Many hospitals also compete with commercial clinical laboratories for outreach (non-hospital patients) testing. Most hospitals have admitting privileges or other relationships with physicians located in the surrounding community and encourage such physicians to send outreach testing to the hospital’s laboratory. In addition, hospitals that have physician practices generally require these physicians to refer tests to the hospital’s laboratory. As a result of this affiliation between hospitals and community physicians, we compete with hospital-affiliated laboratories primarily based on pricing, quality and range of service. Private diagnostic chains, which have emerged in recent years, offer pathology and imaging services and operate out of more than one center. Diagnostic chains can be categorized as either regional or pan-India, and adopt the hub and spoke model of business operations and utilize modern logistics and information management systems to operate their network. Currently, there are approximately seven large diagnostic



chains in India. Our failure to provide a broad test menu or services superior to hospital-affiliated laboratories and private diagnostic chains at a competitive price could have a material adverse effect on our business, financial condition and results of operations.

Although the majority of our competition is derived from the organized sector, the absence of stringent regulations and the low-entry barriers have contributed to the establishment of a number of standalone diagnostic centers. Standalone diagnostic centers are diagnostic centers with a single laboratory/center. Standalone centers usually carry out basic tests, which require minimal investments and physical space. In 2014-2015, approximately 48% of the revenue generated by the diagnostic industry was contributed by standalone diagnostic centers according to CRISIL Research. As a result of the low barriers to entry, the number of standalone diagnostic centers operating in India may increase, which may result in a corresponding increase in the proportion of revenue received by standalone revenue centers. The multitude of organized and unorganized players in our industry could have a material and adverse effect on our business.

Many of our potential competitors may have widespread brand recognition and substantially greater financial, technical and research and development resources and selling and marketing capabilities than we do. Others may develop products with prices lower than ours that could be viewed by physicians and healthcare services providers as functionally equivalent to our solutions, or offer solutions at prices designed to promote market penetration which could force us to lower the list price of our tests and affect our ability to achieve profitability.

In addition to competition from the organized and unorganized sectors, we may face competition from our vendors, if they decide to enter the pathology testing services market directly by selling point-of-care laboratory equipment to physicians and test kits for home use to both physicians and patients. Furthermore, advancements in the availability of testing equipment that do not require free-standing clinical laboratories or in self-testing kits that can be operated by patients could also result in a decrease in the volume of tests from which we receive our revenue. Any of the foregoing scenarios could have a significant adverse effect on our business, financial condition and results of operations.

Our future success depends on our ability to compete effectively, including by distinguishing our products or services from our competitors, by expanding our network of service providers, sales and marketing forces, or by expanding our portfolio of products and services. We cannot assure you that we will be able to sufficiently and promptly respond to changes in customer preferences and other competitive pressures in the future, nor can we assure you that we will be able to maintain or increase our existing market share. We may also be unable to increase cost efficiencies sufficiently, if at all, and as a result, our net earnings and cash flows could be negatively impacted by such price competition. If we are unable to compete successfully against our existing or new competitors, our business, financial condition and results of operations may be materially and adversely affected.

**2. *Our business depends on our reputation and customer perception of our brand, and any negative publicity or other harm to our brand may materially and adversely affect our business, financial condition and results of operations. Further, any actions taken by our authorized service providers may harm our business and brand.***

Our reputation and customer perception of our brand are critical to our business. Maintaining and enhancing our reputation and brand recognition depends primarily on the quality and consistency of our services, as well as the success of marketing and promotional efforts by us and our authorized service providers. Maintaining and enhancing our brand is essential to our efforts to maintain and expand our customer base. If customers do not perceive our products or services to be of high quality, our brand image may be harmed, thereby decreasing the attractiveness of our pathology testing services. While we have devoted resources to brand promotion efforts in recent years, our ongoing marketing efforts may not be successful in further promoting our brand. Our ability to maintain our brand recognition depends on a number of factors, some of which are beyond our control.

As an example of such a factor, we have limited control over our authorized service providers, as they are independent contractors and are not our employees. Our relationships with authorized service providers are contractual in nature and we do not have control over authorized service providers other than the ability to invoke remedies available to us under our service agreements. In order to ensure quality service, we have established certain standards and provide training and support to authorized service providers; however, the

quality of our authorized service providers' operations may be diminished if they do not operate their businesses in a manner consistent with our standards and requirements, or if they do not hire and train qualified personnel. For instance, authorized service providers are prohibited from using competing laboratories or hospitals for the same services provided by our Company, overcharging patients in a manner that is inconsistent with our specified rates, and using our name, logos or the brand names of "Thyrocare" and "Aarogyam" without our prior written permission. TAGs are prohibited from collecting samples directly from patients referred to them by doctors, as only TSPs are authorized to handle such patients. However, despite these standards and prohibitions, there can be no assurances that our authorized service providers will operate their businesses in the agreed upon manner, will not breach their undertakings to us, will not direct some of their business to competing laboratory testing service providers, will not decide to become direct competitors of ours or will not misuse the letterheads and stationeries provided by us. If authorized service providers do not adequately manage their businesses or run their businesses inconsistently with our standards and requirements, our image and reputation, and the image and reputation of other authorized service providers, may suffer materially and network-wide sales could significantly decline. In the past, we have received notices from several authorized service providers and patients in relation to non-compliance to the agreed arrangements or delay in the provision of services. For further details, see the section entitled "*Outstanding Litigation and Material Developments*" on page 334. We may also face potential claims and liabilities due to the acts of our authorized service providers based on agency or vicarious liability laws.

Our success also depends on various other factors, such as continued consumer demand as well as our ability to respond to competitive pressures. Our services may become less attractive due to changing consumer preferences and any inability to adapt to such changes in a timely manner. As we continue to grow our Company and extend our geographic reach, maintaining quality of service may become difficult and we cannot assure you that consumers' confidence in our brand will not be diminished. Our brand image may also be harmed by negative publicity relating to our Company or India's diagnostic industry generally, regardless of its veracity. Complaints lodged against our Company by customers may also diminish confidence in and the attractiveness of our brand. If we are unable to maintain and further enhance our brand recognition and increase market awareness for our Company and our services, our ability to attract and retain customers may be impacted and our business prospects may be materially and adversely affected.

**3. *Our pathology testing services are performed at the CPL located in Navi Mumbai and at the RPLs located in New Delhi, Coimbatore, Hyderabad and Kolkata. Any disruption in operations of any our laboratories could reduce or restrict sales and materially and adversely affect our business, financial condition, cash flows and results of operations.***

Our multi-lab model encompasses a fully-automated CPL, which is supported by four RPLs. Our CPL performs all tests offered by our Company, while the RPLs are equipped to perform the tests that are more routine in nature and conducive to high-volume testing. The majority of the samples we receive continue to be processed by the CPL, in part because the RPLs only recently became fully operational. From April 2015 to September 2015, the CPL processed a total of 4,233,299 samples and 23,551,108 tests. For this same period, our operational RPLs in Coimbatore, Delhi and Hyderabad processed a total of 1,513,462 samples and 6,766,805 tests. As highlighted by the foregoing data, the majority of our operations are currently dependent on the CPL.

The continued operation of the CPL and the RPLs can be substantially interrupted due to a number of factors, many of which are outside of our control, including natural disasters or other unanticipated catastrophic events, including power interruptions, water shortages, floods, actual, potential or suspected epidemic outbreaks, storms, fires, explosions, earthquakes, terrorist attacks and wars, as well as loss of licenses, certifications and permits, changes in governmental planning for the land underlying our facilities and regulatory changes. Our facilities and equipment would be difficult and costly to replace on a timely basis. Moreover, catastrophic events could also destroy any reagents and other inventory located at our laboratories. If the operations of our laboratories are substantially disrupted, we may not be able to replace the equipment or inventories at our laboratories, or use a different facility to continue our operations in a timely and cost-effective manner or at all.

If such damages or interruptions are caused to our laboratories, we may not be able to recover from damages or interruptions caused to our laboratories in a timely manner or at all. The occurrence of any such event could result in the temporary or long-term closure of our laboratories, severely disrupt our business

operations and materially and adversely affect our business, results of operations and financial condition, particularly if the CPL is affected by such event.

**4. *Our business is dependent on particular tests for a large majority of our revenue, and any disruption to such tests could materially and adversely affect our business, financial condition and results of operations.***

Our Company offers 192 tests and 54 profiles of tests; however, a considerable portion of our revenue is derived from a few specific tests. For example, approximately 17% of our revenue from diagnostic services for Fiscal 2015 was derived from our thyroid profile, which includes Total Triiodothyronine, Total Thyroxine and Thyroid Stimulating Hormone tests. As another example, 51% of our revenue from diagnostic services for Fiscal 2015 was derived from our wellness and preventive care offerings. If our competitors develop diagnostic tests with competitive pricing, our test offerings fall out of favor, our customer's preferences change, or our ability to conduct these tests is impaired in any way, our business, financial condition and results of operations could be material and adversely impacted.

**5. *We depend substantially on our hub-and-spoke business model complemented by the RPLs. Any delay or interruption in the transportation of samples to the CPL or the RPLs could adversely impact the effectiveness of our business model.***

The timely delivery of samples by our authorized service providers located across India to our laboratories for testing is critical to our ability to maintain sample processing turnaround time and is an integral part of our business model. We rely on authorized service providers to collect and deliver samples in a timely manner to our hubs, the CPL and the RPLs, and our third-party transportation providers (such as airlines and other logistics providers) for the cost-effective and timely transportation of samples from our hub locations to the CPL. Any delay on the part of our authorized service providers to deliver samples to our hubs, the CPL or the RPLs may impact our turnaround time and thereby affect our ability to deliver testing results in a timely manner.

Further, we do not have any control over the operations of any logistics providers involved in our network. Catastrophic events, including power interruptions, water shortages, floods, actual, potential or suspected epidemic outbreaks, storms, fires, explosions, earthquakes, terrorist attacks and wars and logistical interruptions (such as airline, train and road network delays) could also cause a delay in the delivery samples to the CPL and the RPLs. For example, in Fiscal 2014, our authorized service providers in Jammu and Kashmir were unable to collect samples in these regions for 10-15 days due to a flood. Due to an earthquake in Nepal in 2014, authorized service providers were unable to collect samples from this region for approximately two and a half months. As a third example, due to rain and floods in Chennai, India, there was a disruption in the operations of authorized service providers in the area for approximately a week. Any prolonged disruption in the operations of our authorized service providers or delay in the transportation of samples to our laboratories may adversely impact our turnaround times, which could affect our business model and brand image, thereby impacting our ability to source samples for processing.

While all transportation costs for sample deliveries by our authorized service providers to our hub locations are borne by the authorized service providers, we bear all costs after the sample is received by the hub locations, including transportation to the RPLs and CPL, testing and uploading the results on our web portal. Any increase in transportation and related costs that we are unable to pass on to our customers may have an adverse effect on our profitability.

**6. *We rely significantly on our authorized service providers to source samples and thereby sell our pathology testing services. Any failure to attract and retain authorized service providers could impact our ability to successfully grow our business.***

As of November 30, 2015, we had a network of 1,122 authorized service providers, comprised of 878 TAGs and 244 TSPs that operate under franchise agreements with us. Through this network, we serve hospitals, laboratories, diagnostic centers, nursing homes, clinics and pathologists across India. In addition, we provide our services to patients who are either referred to us by doctors or procured by us directly or by our direct sales associates. Our performance depends upon our ability to attract and retain qualified authorized service providers, as well as our authorized service providers' ability to grow their customer bases, execute our business model and capitalize on our brand recognition and marketing.

We cannot assure you that we will be able retain our existing authorized service providers or induct new authorized service providers who have the business abilities or financial resources necessary to develop and operate their businesses on schedule, or who will conduct operations in a manner consistent with our standards and requirements. Any inability to retain existing or induct new authorized service providers, any reduction in the number of their patients, or any reduction in tests ordered or samples submitted to us, without offsetting growth in our customer base, could impact our ability to successfully grow our business and could have a material adverse effect on our business, financial condition and results of operations.

**7. *Failure of our equipment, information technology and other technological systems could significantly increase testing turnaround time and otherwise disrupt our operations.***

Our diagnostic testing services business depends substantially on the performance of our equipment and instruments used in the CPL and the RPLs. Sustained equipment failures or interruption of our equipment in one or more of our laboratory operations could disrupt our ability to process samples and conduct diagnostic tests.

Our business also depends on the continued performance of our information technology systems, including our customer relationship management, management information and enterprise resource planning systems. We have recently introduced a new online business-to-business online claim system, through which laboratories, diagnostic centers, doctors, clinics, nursing homes, hospitals, medical representatives and other professionals or any other person or organization with the sample collection capabilities can outsource processing of samples to us through placing an order at <https://www.thyrocare.com/wellness/>. Our technological systems are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptions. Sustained system failures or interruption of our systems in one or more of our laboratory operations could disrupt our ability to process laboratory requisitions, perform testing, provide test results in a timely manner and/or bill the appropriate party. Breaches with respect to confidential health information could result in violations of laws and regulations, and risk the imposition of significant fines and penalties. In addition, we may need to make significant future investments to improve our technological capabilities in order to ensure that we are meeting the needs of our customers in terms of high-quality and timely provision of services. Any failure of our equipment, information technology and other technological systems could have a material adverse effect on our business, financial condition and results of operations.

**8. *The testing equipment and automation systems we use at the CPL are owned by our vendors until the fulfillment of certain conditions; if any such vendors withdraw or retake possession of such equipment and systems, if we are unable to fulfill our obligations under the relevant vendor arrangement, or if we are unable to renew our vendor arrangements on commercially acceptable terms (or at all), our ability to conduct our pathology testing business could be materially impaired and we may become subject to significant monetary penalties. Additionally, we only recently entered into arrangement letters with some of our vendors and suppliers of reagents with whom we did not have any written agreements.***

All of the testing equipment and automation systems that we use at the CPL in our pathology testing business are procured from major suppliers in India and abroad. Pursuant to the arrangements we have entered with our vendors for the CPL equipment and systems, such vendors provide the relevant equipment to us at low or no capital cost in consideration of a minimum purchase commitment by us of reagents, consumables and controls for the specified contractual period. Title to and ownership of such equipment and automation systems remain with the vendors and may only be passed on to us upon completion of the term of the relevant arrangement at a mutually agreed price. In general, unless we acquire the equipment at the CPL on the terms set out in the relevant arrangement with the vendor, the vendor may at its discretion withdraw or retake possession of its equipment.

As we procure the majority of our equipment from a few key suppliers, we are particularly dependent on such suppliers for reagent procurement. If we fail to purchase from a vendor the requisite volumes of reagents and consumables specified in the relevant vendor arrangement, such vendor may terminate the relevant vendor arrangement and retake possession of their equipment and, in some cases, may have the right to require that we pay a specified penalty to the vendor. If any monetary penalties are imposed on us by our vendors, our results of operations could be materially and adversely affected.

Further, we cannot assure you that our vendors will continue to sell sufficient quantities of raw materials to us on commercially acceptable terms, or at all. Even if market prices for comparable reagents, diagnostic materials and disposables decrease, we would be compelled to continue to purchase reagents, diagnostic

materials and consumables from the relevant vendor at the prescribed prices, which may have become unfavorable. In addition, we have agreed with certain suppliers on the purchase of reagents in terms of US Dollars. While certain of our vendor arrangements include a cap on the exchange rate, as we currently do not hedge our foreign exchange exposure, any adverse changes in exchange rates, particularly Rupee to US Dollar, could materially and adversely impact our results of operations and financial condition.

Additionally, we have only recently entered into arrangement letters setting out some key terms regarding the placement of analyzers and supplies of reagents and consumables with some of our vendors and suppliers of reagents with whom we did not previously have written agreements. With respect to such vendors and reagents suppliers, we operate based on a general understanding and past practice. Such vendors and reagents suppliers could, for any reason and at any time, decide to withdraw or retake possession of their equipment from us and/or cease doing business with us. In such case, or in the event of any dispute with any such vendors, we could have limited recourse against the relevant vendor's actions and our ability to conduct business could be materially and adversely impacted.

While we have purchased equipment and systems for the RPLs, the CPL continues to process the majority of the samples we receive and to conduct the majority of the tests on such samples. Accordingly, we are particularly at risk of an adverse change in relationships with our vendors for the equipment and systems used in the CPL. Such vendors may, at their discretion, withdraw or retake possession of their equipment at any time. If we are unable to procure suitable replacements in a timely manner or at all, our ability to conduct our pathology testing business could be substantially impaired. Additionally, as we rely on a small number of vendors for the purchase of the reagents at the CPL, any change in our relationships with such vendors that causes prices for the reagents to increase or disruptions in the supply of reagents, or any other adverse changes in the terms of supply of equipment and reagents, could adversely affect our business, results of operations and financial condition.

**9. *Changes in technologies and/or the introduction of new technology could reduce demand for our pathology testing services.***

The healthcare diagnostic testing services industry is characterized by changing technology and new product introductions. Our success depends, in part, on our ability to develop, acquire or license new and improved testing technologies on favorable terms. We cannot assure you that our research and development efforts will result in the development of commercially successful tests and other products and services. Other companies or individuals, including our competitors, may obtain patents or other proprietary rights relating to newer technologies that could reduce the demand for our pathology testing services. We may not be able to negotiate acceptable licensing arrangements and, if obtained, we cannot assure you that such arrangements will yield commercially successful diagnostic tests. If we are unable to develop or license new and advanced testing technologies at competitive rates, if we fail to anticipate trends in the industry, or we are not able to introduce or develop services and technologies before or at least concurrently with our competitors, our testing methods may become outdated when compared with our competition. Any failure to keep pace with advancing technologies or failure to introduce new technologies could have a material adverse effect on our business, financial condition and results of operations.

**10. *Some of our Directors and our Key Management Personnel do not have documents for their educational qualifications, professional experience and proof of age, as disclosed in the section entitled "Our Management" and our Company does not have a legible copy of an RoC filing.***

In accordance with the disclosure requirements stipulated under the SEBI Regulations, the brief biographies of our Directors and Key Management Personnel disclosed in the section entitled "Our Management" on page 153 include details of their educational qualifications and professional experience. However, the original documents evidencing such educational qualifications and professional experience are not available with some of our Directors and Key Management Personnel. Accordingly, we have relied on affidavits provided by such Directors and Key Management Personnel to verify the authenticity of such disclosures.

In addition, in relation to the bonus issue of Equity Shares undertaken by our Company in February 2006, the physical Form 2 filed with the RoC is illegible and accordingly, our Company has relied on other records for the purposes of the details of the said issuance.

We cannot assure you that such disclosures do not have any inadvertent errors or omissions.

**11. *The expansion of our network of RPLs may entail significant cash outlays, may be delayed or suspended in the event we do not receive favorable terms from vendors, or may be unsuccessful.***

One of our strategies is to further grow our business by expanding our network of RPLs to cater to an increased number of cities across India. We commenced setting up RPLs in 2014, and opened four RPLs in 2015, one in each of New Delhi, Coimbatore, Hyderabad and Kolkata. We plan to further expand our network of RPLs based on our assessment of the expected demand in specific regions and market opportunity. For the RPLs, we purchase the equipment and systems used to conduct the pathology testing services (as opposed to the CPL, where the equipment and systems are provided to us for minimal capital cost in exchange for commitments on supply (e.g., reagent purchases). We expect that our strong relationships with our vendors will enable us to source equipment on favorable terms, thereby enabling us to maintain our competitive pricing. For example, as a result of our strong relationships with our vendors, the capital costs to establish our three RPLs in Delhi, Coimbatore and Hyderabad in Fiscal 2015 was ₹ 85.77 million and ₹ 24.68 million for the six months ended September 30, 2015 to establish the RPL in Kolkata. We are in the process of setting up RPLs in Bhopal and Bengaluru, which will require further capital costs in Fiscal 2016. In the event that any of our relationships with our vendors weakens or is terminated, we may not be able to continue to source suitable equipment on favorable terms, and therefore the expansion of our network of RPLs may entail significant cash outlay, which could adversely affect our financial condition, or we may be required to delay or suspend our expansion plans indefinitely, which could adversely impact our business and prospects.

Moreover, as our existing RPLs have been recently established and the RPL business model is relatively new for us, we cannot assure you we will be successful in penetrating our target markets and achieving the level of market acceptance of our tests necessary to make the RPL network a success.

**12. *We may not be able to effectively implement our business and growth strategies and achieve future growth.***

We operate in a dynamic industry, and on account of changes in market conditions, industry parameters, technological improvements or changes and any other relevant factors, our management continually assesses our strategies to position our Company for future growth. Among the growth initiatives we are currently planning, we intend to develop our TPDN, which is a nationwide network of diagnostic centers that offer diagnostic packages, including pathology, diagnostic testing and tests in preventive care. We are also in the process of establishing TMC, which is intended to be a nationwide branded metabolic clinic for individuals with chronic illnesses or that plan to undergo a healthcare procedure. Our growth strategies and plans may undergo changes or modifications from time to time, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. In India, we face the challenge of a nascent market, a young population that trails both developed and developing countries in terms of its health care spending as a proportion of GDP, low government expenditure on health and therefore are heavily reliant on private out-of-pocket payment for healthcare, corruption and unfair practices in the medical industry, and a lack of standardization and uniformity in terms of quality and price of services.

The future success of our business will depend greatly on our ability to continue to effectively implement our business and growth strategies, including our ability to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to implement our business strategies, including the scaling of our operations to correspond with our business strategy, could be detrimental to our long-term business outlook and our growth prospects and materially and adversely affect our business, results of operations and financial condition.

**13. *Our business depends substantially on the continued efforts of our Promoter, Dr. A. Velumani, and our business may be severely disrupted if we lose his services.***

While our Company is well-established, our success is dependent largely on the efforts of Dr. A. Velumani, our Promoter, managing director and chief executive officer. We do not have insurance related to the continued employment of our key employees, and therefore do not have any insurance that would help compensate any losses incurred as a result of the loss of Dr. A. Velumani. If we were to lose the services of Dr. A. Velumani for any reason, or if his other business interests compete for his time and services, we may not be able to replace his services effectively, which could have an adverse effect on our business, results of operations and financial condition.

**14. Our Company had made an allotment of equity shares that was not in compliance with the then applicable laws relating to private placement of securities, which may result in regulatory consequences (including remedial action).**

Our Company had by way of a preferential allotment, inadvertently allotted of 376,750 Equity Shares to 51 persons (the “**Original Allottees**”) on March 22, 2005, which was not in compliance with the then applicable laws relating to a private placement of securities (the “**Stated Allotment**”). For further details of the aforementioned allotment, please see the section entitled “*Capital Structure*” on page 72.

In accordance with the first proviso to Section 67(3) of the Companies Act, 1956, as applicable at the time of the Stated Allotment, any offer or invitation for subscription of shares or debentures made to more than 49 persons was deemed to be a public offering. Accordingly the Stated Allotment (having been made to 51 persons) was deemed a public offering. As our Company had not followed the legal requirements stipulated for public offerings under the Companies Act, 1956 and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, the Stated Allotment was considered non-compliant with the applicable laws. However, all the Equity Shares allotted under the Stated Allotment were transferred by the Original Allottees and are currently held by one of our Promoter Group companies, Thyrocare Publications Private Limited. As of the date of this Draft Red Herring Prospectus, we have 17 shareholders. On July 16, 2015, our Company filed an application before the Company Law Board for compounding this offence, under the Companies Act, 1956, relating to the Stated Allotment. The Company Law Board, through its order dated October 14, 2015 compounded the said offence and imposed compounding fees of ₹ 50,000 on our Company and ₹ 20,000 each on the two executive Directors, Dr. A. Velumani and A. Sundararaju. The compounding order has been duly complied with by our Company and the relevant Directors and pursuant to the order dated November 27, 2015 the said offences stand compounded.

In accordance with Section 55A of the Companies Act, 1956 the provisions contained in Section 67 of the Companies Act, 1956 to the extent they relate to, amongst others, the issue of securities are required to be administered by SEBI. Accordingly, the board of SEBI at its meeting held on November 30, 2015 (“**SEBI Decision**”) has approved that the companies involved in issuance of securities to more than 49 persons but up to 200 persons in a financial year may avoid penal action subject to fulfilment of certain conditions. Such conditions include an option to surrender the securities being provided to the original allottees or the current holders of the securities by the errant company or its promoters or other persons procured by either of them, at an exit price which is not less than the subscription amount along with interest at the rate of 15% p.a. (net of amounts already paid to such allottees as interest, dividend or otherwise). However, SEBI has not notified any regulations, circular or guidelines in relation to the same. Our Promoter Group company (Thyrocare Publications Private Limited) has already indirectly purchased the Equity Shares from the Original Allottees. Upon notification of circular or regulations by SEBI on the basis of SEBI Decision, our Company or the Promoters or other persons procured by either of them may have to pay additional amounts (including interest) in relation to the Stated Allotments. Our Promoters, through certificates dated December 28, 2015, have undertaken to ensure compliance with the any regulations, circular or guidelines that may be notified by SEBI (regarding regularisation of the Stated Allotment) pursuant to the SEBI Decision, including any payment or arrangement for payment to the Original Allottees or the current shareholders with respect to the Stated Allotment.

**15. Our Statutory Auditors have made certain remarks in the notes to the Restated Standalone Financial Statements of our Company in respect of allotment of Equity Shares by our Company in Fiscal 2013.**

In Fiscal 2013, our Company made a preferential allotment of Equity Shares to a party covered in the register maintained under section 301 of the Companies Act 1956, pursuant to a special resolution passed at an extraordinary general meeting of the Shareholders, at a value arrived at in accordance with the net asset method, as per the valuation report prepared by a firm of chartered accountants. However, our Statutory Auditors have remarked that this method of valuation of Equity Shares may not be appropriate and, in the absence of any other valuation carried out by our Company to determine the fair value of Equity Shares of our Company, our Statutory Auditors were unable to comment on clause xviii (which pertains to the method of valuation of the Equity Shares) of the Independent Auditor’s Report for Fiscal 2013. The observations pertaining to our historical financial statements are specified in Note 3 of Annexure IV- Non-Adjusting Events on page 192. Accordingly, investors should read “*Financial Statements- Restated Standalone Financial Statements*” from pages 176 to 222 and information with respect to our financial condition and results of operations included in this Draft Red Herring Prospectus, in this context.

**16. The Equity Shares held by EIF as of the date of this Draft Red Herring Prospectus are not subject to statutory lock-in after the Offer. Any sale of Equity Shares by EIF after listing of the Equity Shares may adversely impact the trading price of, and market in, the Equity Shares.**

EIF is a venture capital fund registered with the SEBI and at the date of this Draft Red Herring Prospectus holds the EIF Shareholding. In accordance with the first proviso to Regulation 37 of the SEBI Regulations, EIF Shareholding is not subject to statutory lock-in. For further details, see the section entitled “*Capital Structure*” on page 79. Accordingly, if EIF sold any Equity Shares after listing, the trading price of, and market in, the Equity Shares may be adversely affected.

**17. SEBI initiated adjudication proceedings against our Promoter Group companies, TBPL and TDPL, for alleged failure to comply with certain reporting requirements resulting in an alleged violation of the applicable provisions of the SEBI Takeover Regulations 1997.**

SEBI has initiated adjudication proceedings against TBPL and TDPL and Eins Edutech Limited (earlier known as Thyrocare Laboratories Limited) for allegedly failing to comply with certain reporting requirements arising out of certain transactions undertaken by TBPL and TDPL in the equity shares of Eins Edutech Limited (earlier known as Thyrocare Laboratories Limited). By way of adjudication orders, the SEBI imposed penalties on TBPL and TDPL and Eins Edutech Limited under the SEBI Act. TBPL and TDPL have preferred appeals against their respective adjudication orders before the Securities Appellate Tribunal, which are currently pending. For further details, see the section entitled “*Outstanding Litigation and Material Developments*” on page 341. There is no assurance that the proceedings which are currently pending will be adjudicated in favour of the Promoter Group companies involved therein.

**18. There are various proceedings pending against our Company and our Directors, our Subsidiary, our Promoters and certain Group Companies, which if determined against them, may have an adverse effect on our business.**

Our Company, our Directors, our Subsidiary, our Promoters and certain Group Companies are involved in certain legal proceedings, including criminal proceedings, which are pending at different levels of adjudication before various courts, tribunals and other authorities. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally from our Company, Directors, Subsidiary, Promoters, Group Companies and other parties. Such proceedings could divert management time and attention, and consume financial resources in their defence. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations. For further details, see the section entitled “*Outstanding Litigation and Material Developments*” on page 334.

*Litigation against our Company\**

| S. No. | Nature of Case | Number of Outstanding Cases | Amount involved (in ₹ million) |
|--------|----------------|-----------------------------|--------------------------------|
| 1.     | Criminal       | Nil                         | Nil                            |
| 2.     | Civil          | 7                           | 7.97                           |
| 3.     | Income tax     | 6                           | 141.04                         |
| 4.     | Indirect Tax   | 2                           | Nil                            |
| 5.     | Notices        | 20                          | 4.49                           |
|        | <b>Total</b>   | <b>35</b>                   | <b>153.50</b>                  |

\* Does not include Regulatory Actions in the last five years against our Company

*Litigation against the Promoters*

| S. No. | Nature of Case | Number of Outstanding Cases | Amount involved (in ₹ million) |
|--------|----------------|-----------------------------|--------------------------------|
| 1.     | Criminal       | 2                           | Nil                            |
| 2.     | Civil          | 2                           | 36.15                          |
| 3.     | Income tax     | Nil                         | Nil                            |
| 4.     | Indirect Tax   | Nil                         | Nil                            |
|        | <b>Total</b>   | <b>4</b>                    | <b>36.15</b>                   |



### *Litigation against the Directors*

| S. No. | Nature of Case | Number Outstanding Cases of | Amount involved (in ₹ million) |
|--------|----------------|-----------------------------|--------------------------------|
| 1.     | Criminal       | 2                           | Nil                            |
| 2.     | Civil          | 2                           | 36.15                          |
| 3.     | Income tax     | Nil                         | Nil                            |
| 4.     | Indirect tax   | Nil                         | Nil                            |
|        | <b>Total</b>   | <b>4</b>                    | <b>36.15</b>                   |

### *Litigation against the Subsidiary\**

| S. No. | Nature of Case | Number Outstanding Cases of | Amount involved (in ₹ million) |
|--------|----------------|-----------------------------|--------------------------------|
| 1.     | Income tax     | 6                           | 0.006                          |
| 2.     | Indirect tax   | 1                           | Nil                            |
| 3.     | Civil          | 1                           | 18.51 <sup>(1)</sup>           |
| 4.     | Criminal       | Nil                         | Nil                            |
|        | <b>Total</b>   | <b>8</b>                    | <b>18.516</b>                  |

\* Does not include Regulatory Actions in the last five years

(1) excluding interest

We cannot assure you that any of the outstanding material litigation matters will be settled in our Company's favor or in favor of our Directors, Promoters or Group Companies or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings could have an adverse effect on our Directors or on our business, financial condition, results of operations and reputation.]

### **19. RBI notified us of the delays in filing of Form FC-GPR in relation to the issuance of compulsory convertible debentures by our Company and the issuance of equity shares by NHL to non-resident entities in the past.**

On December 24, 2010, our Company issued 377,500 compulsorily convertible debentures of ₹662.25 each (at 'Nil' premium) to one of our Selling Shareholders, Agalia. As per the applicable provisions of the FEMA Regulations, we were required to file Form FC-GPR with the RBI within 30 days from the date of issuance of the securities. Our authorized dealer submitted Form FC-GPR to the RBI on January 24, 2011 as January 23, 2011, the prescribed date, was a weekly holiday i.e. Sunday. However, the RBI issued a letter to us dated December 22, 2011 wherein it indicated that since there was a delay in the filing of the said form resulting in violation of the FEMA Regulations, appropriate actions would be initiated against us under the provisions of the FEMA, to which we replied. Similarly, on October 29, 2014, the RBI informed us on non-compliance with the stipulated period of time for submission of Form FC-GPR in relation to the issuance of 1,111,000 equity shares of ₹10 each (at a premium of ₹190 per share) by NHL to NVP on January 15, 2013, despite us having filed Form FC-GPR through our authorized dealer on February 6, 2013, i.e. within the prescribed 30 days. In November 2014, we filed letters with the RBI to explain the foregoing. The RBI did not issue an official decision in relation to these matters, and therefore, we may still be subject to queries in relation to these transactions or further actions, including levy of penalties.

### **20. If we fail to comply with the regulations prescribed by the authorities or obtain, maintain and renew approvals and licenses necessary for carrying out our business, our business, financial condition and results of operations could be adversely affected.**

We are governed by a number of laws and regulations applicable to various aspects of our business operations, including safety, health and environmental laws and various labor, workplace and related laws and regulations and laws applicable to radiation facilities and diagnostic laboratories. Compliance with such laws and regulations, including obtaining and maintaining all required approvals, permits and registrations, can be time-consuming and costly. Pursuant to existing laws, both our PET-CT imaging centers and medical cyclotron facility require certain specified licenses and approvals to be granted by the AERB. Further, our molecular imaging business uses radioactive materials, which are inherently hazardous and, consequently, we are also subject to laws and regulations relating to the protection of the environment and

human health and safety, including laws and regulations relating to the handling, transportation and disposal of biomedical and hazardous wastes under the Biomedical Waste (Management and Handling) Rules, 1998. The relevant regulatory authorities such as the AERB and the state pollution control board have established extensive requirements relating to workplace safety and pollution control. We also need to obtain licenses issued under the Drugs and Cosmetics Act, 1940 for the sale and import of specified drugs. For further details, see the sections entitled “*Regulations and Policies*” and “*Government and Other Approvals*” on pages 136 and 354. There can be no assurances that the legal framework, licensing and other regulatory requirements or enforcement trends in our industry will not result in an increased cost of compliance and that we will be successful in responding to such changes. Further, we are required to obtain and comply with the terms of various approvals, permits and registrations in order to conduct our operations. For further details, see the section entitled “*Government and Other Approvals*” on page 354. While certain approvals, permits and registrations are one time in nature, which remain valid unless cancelled, certain other approvals are only valid for stipulated periods of time and require periodic renewals, some of which may have expired and for which we may have either made, or are in the process of making an application for obtaining the approval or its renewal. We cannot assure you that we will apply for and acquire, the necessary approvals in a timely manner or at all. Moreover, as we grow our business, we may be required to obtain new approvals, which may not be granted in a timely manner or at all, thereby increasing the compliance costs.

The risk of accidental contamination of the environment or injury to our employees or others from the use, storage, handling or disposal of these materials may not be completely eliminated. The risk of our being found in violation of these or other laws and regulations is further increased by their extreme complexity, and, in many instances, the lack of clear regulatory or judicial interpretations of or guidance on these laws and regulations. There can be no assurances that the legal framework, licensing and other regulatory requirements or enforcement trends in our industry will not change in a manner that does not result in increased costs of compliance, or that we will be successful in responding to such changes. If we fail to comply with any existing laws and regulations, or fail to obtain or maintain any of the required licenses or approvals, the relevant regulatory authorities may impose fines and penalties on us, revoke our business licenses and approvals and require us to discontinue our business or impose restrictions on the affected portion of our business. Any action brought against us for alleged violations of laws or regulations, even if our defense thereof is successful, could cause us to incur significant legal expenses and divert our management’s attention from the operation of our business. Any determination that we have violated, or the public announcement that we are being investigated for possible violations, of these laws or regulations, could harm our reputation, operating results and financial condition. If we are found to be in violation, we may be subject to any applicable penalties associated with such violations, including civil and criminal penalties, damages and fines, loss of various licenses, certificates, accreditations or authorizations, orders to refund payments received by us, and orders to curtail or cease our operations. If we lose or otherwise are unable to maintain any of our required licenses and approvals under applicable laws and regulations, our business operations will be materially and adversely affected.

**21. *Our subsidiary, NHL, operates a molecular imaging business that presents significant operational risks, which could have a material and adverse effect on our results of operations and financial condition.***

NHL, which became our Subsidiary in November 2014, owns and operates a molecular imaging business. The molecular imaging business differs significantly from our existing pathology testing business. The new molecular imaging business is patient-facing and significant capital expenditures are required to set up imaging centers and purchase and maintain the PET-CT scanners and cyclotrons employed by NHL. Referring doctors and hospitals in this different market may not be familiar with our brand and we may need to build brand awareness in such markets through greater investments in advertising activities than we originally planned. Further, we may find it difficult to hire, train and retain qualified professional personnel for this new business. It may take longer than expected to reach our targeted levels of acceptable revenue margins, thereby affecting our overall profitability.

Furthermore, our operation of the NHL molecular imaging business or the acquisition of any other businesses in the future entails numerous risks, including:

- the potential negative effects on our liquidity position;
- any difficulty in consolidating redundant facilities and infrastructure and in standardizing information and other systems;
- any failure to achieve the intended objectives or benefits, or to generate sufficient revenue to cover the

- costs and expenses of an acquisition; and
- the diversion of resources management's attention from our existing businesses.

We cannot assure you that the operation of the NHL business as a subsidiary of our Company or that any future acquisitions by us will be successful, or that our business will not be adversely affected by any future acquisitions. Further, we may not be able to realize the benefits that we expect from such acquisitions.

**22. *The slump sale of a medical cyclotron unit by our Company to NHL may have regulatory implications.***

Our Company has undertaken a sale of the medical cyclotron unit located at Navi Mumbai (the "**Cyclotron**") on a going concern basis to its now wholly-owned subsidiary, NHL, through a slump sale agreement dated March 26, 2015 and addendum slump sale letter agreement dated September 29, 2015 (the "**Slump Sale Agreements**"). The Slump Sale has been undertaken with effect from April 1, 2015. For further details, see the section entitled "*History and Certain Corporate Matters – Summary of Key Agreements*" on page 147.

The Cyclotron is located on a portion of the land (the "**Unit Land**") that has been leased to our Company through a deed of assignment dated February 13, 2007 of the lease agreement dated December 24, 1987 entered into between certain third parties and the Maharashtra Industrial Development Corporation (collectively, the "**MIDC Agreements**"). Under the terms of the MIDC Agreements, our Company is required to make an application for consent from MIDC for the transfer of the Unit Land or assignment of the MIDC Agreements. We have made an application dated December 18, 2015 to MIDC, seeking permission to sub-lease the Unit Land to NHL as required under the Slump Sale Agreements. Pending receipt of approval from MIDC, we have not transferred or sub-leased the Unit Land to NHL. However, our Company has entered into a memorandum of understanding with NHL dated December 16, 2015 for sub-lease of the Unit Land, subject to receipt of approval from MIDC. Moreover, NHL has been undertaking operations of the Cyclotron with effect from April 1, 2015, pursuant to the Slump Sale Agreements and our Company has been receiving service charges from NHL. Additionally, the registered office of NHL is also located on the land leased by our Company from MIDC. In the event this is considered to be a breach of the MIDC Agreements, our Company and NHL could be subject to adverse consequences, including payment of penalty or revocation of MIDC Agreements or both. Any such action by MIDC may materially and adversely affect our business operations, financial condition and results of operations.

Additionally, the approvals and licenses required for operating the Cyclotron (the "**Cyclotron Approvals**") were issued to our Company and are yet to be transferred to NHL. The transfer of the Cyclotron and the Cyclotron Approvals is subject to prior approval of AERB, for which our Company has made an application dated December 18, 2015. Pursuant to the Slump Sale Agreements, the Cyclotron is being operated by NHL since April 1, 2015. In the event such operation by NHL, during the pendency of receipt of approvals from AERB, is considered a breach of applicable laws (including Atomic Energy Act and Radiation Protection Rules), we would be subject to adverse consequences, including stoppage of operation of the Cyclotron, suspension, revocation or modification of the Cyclotron Approvals and penal action. Any such action may materially and adversely affect our business operations, financial condition and results of operations.

**23. *The transfer of the Cyclotron by our Company to NHL could be subject to additional stamp duty implications in the future.***

Adequate stamp duty may not have been paid on the Slump Sale Agreements. Accordingly, the Slump Sale Agreements have been submitted for adjudication to the Department of Registration and Stamps, Government of Maharashtra (the "**Stamp Duty Adjudication**"). Pursuant to the Stamp Duty Adjudication, NHL could be liable to pay additional stamp duty and consequent penalties.

**24. *NHL has a limited operating history that may not provide an adequate basis on which to judge its future prospects and results of operations.***

NHL is a new molecular imaging business that commenced commercial operations towards the end of Fiscal 2013. As NHL's operating history is limited, it may not provide a meaningful basis for you to evaluate its business, financial performance and prospects. Accordingly, you should not rely on its results of operations for any prior periods as an indication of its future performance. You should consider its business

and prospects in light of the risks, uncertainties, expenses and challenges that it will face as an early-stage company operating in a growing market. Going forward, we may not be successful in addressing the risks and uncertainties we will confront, which may materially and adversely affect NHL's results of operations, financial condition and business prospects.

**25. NHL has experienced losses in the recent past.**

In the past, NHL has experienced losses, which are detailed in the table below:

(in ₹ million)

| Particulars          | Six months ended September 30, 2015 | Fiscal  |         |        |
|----------------------|-------------------------------------|---------|---------|--------|
|                      |                                     | 2015    | 2014    | 2013   |
| Net (loss) after tax | (18.55)                             | (72.71) | (90.24) | (3.56) |

For further details, see the sections entitled "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations of NHL" on pages 260 and 315, respectively.

NHL intends to expand its operations in the upcoming Fiscals. If NHL continues to experience losses, either in the short term or over extended periods, it could materially impact the ability of NHL to operate its business and implement growth plans. In such case, we may be required to fund the expansion of NHL or forced to dilute our stake in NHL in order to allow it to run its operations successfully, which could have a material and adverse effect on our results of operations and financial condition.

**26. Some of our Group Companies are loss making companies.**

Some of our Group Companies are loss making companies, the profits or losses in the last three Fiscals, are detailed in the table below:

| Name of Entity | Profit/(Loss) (Amount in ₹ million) <sup>#</sup> |              |            |              |
|----------------|--------------------------------------------------|--------------|------------|--------------|
|                | For the financial year                           |              |            |              |
|                | 2014                                             |              | 2013       |              |
|                | Standalone                                       | Consolidated | Standalone | Consolidated |
| TGL*           | (70.06)                                          | -            | (57.69)    | -            |
| TIHCM**        | (1.65)                                           | (71.92)      | (3.45)     | (61.37)      |

\* TGL started operations in the calendar year 2013. Accordingly, the financial information for the year 2013 (for the period March 7, 2013 up to December 31, 2013) and the year ended December 31, 2014, respectively, have been disclosed.

\*\* TIHCM started operations in the calendar year 2012. Accordingly, the financial information for the years ended December 31, 2014 and 2013 (for the period November 1, 2012 up to December 31, 2013), respectively, have been disclosed.

<sup>#</sup> The amounts disclosed in Indian rupees are converted as on the date on which the financial information is presented.

**27. The Promoter and Promoter Group will retain majority control of our Company after the Offer, and may have interests that are adverse to, or conflict with, the interests of other shareholders.**

After the completion of the Offer, the Promoters and the Promoter Group will own approximately 63.96% of our Equity Shares. For further details, see the section entitled "Capital Structure" on page 75. The Promoters and Promoter Group have the ability to exercise a controlling influence over our business, and may cause us take actions that are not in, or may conflict with, our or our shareholder's best interests, including matters relating to our management and policies and the election of our directors and senior management, the approval of lending and investment policies, revenue budgets, capital expenditure, dividend policy, strategic acquisitions and fund raising activities.

As the Promoter Directors of our Company, Dr. A. Velumani and A. Sundararaju will be able to influence major policy, strategic and investment decisions by controlling the election of our Directors and, in turn, indirectly controlling the selection of the senior management of our Company, determine the timing and amount of any dividend payments, approve our annual budgets, determine increases or decreases in the

share capital of our Company, and determine our issuance and sale of new securities, among other significant actions.

**28. *We have entered into certain related party transactions, and we may continue to do so in the future.***

We have entered into certain transactions with related parties, including with our Promoter Group Companies. As an example of such transactions, we have entered into a leave and license agreement with NHL for the premises in New Delhi to set up an RPL. The said premises had been leased to NHL by M/s SCPL, being a Promoter Group entity controlled by our Promoter, Dr. Velumani, who owns the premises. SCPL is a confirming party to the leave and license agreement. As additional examples, we have entered into leave and license arrangements with NHL whereby we utilize the properties held by NHL (on a freehold or leasehold basis, as applicable) for certain of the RPLs. In addition, our Company has also entered into a memorandum of understanding with NHL for sub-leasing a portion of property held by our Company on a leasehold basis to NHL for its cyclotron facility. For further details, see the section entitled “*History and Certain Corporate Matters – Slump Sale Agreement entered into between our Company and NHL dated March 26, 2015 and an addendum slump sale letter agreement dated September 29, 2015 (collectively the “Slump Sale Agreements”)*” on page 147. We intend on entering into similar arrangements in the future with respect to the further development of our facilities and services.

Additionally, some of our Directors, including our promoter Directors, are interested in us beyond the extent of their shareholding and dividend entitlement, remuneration paid to them for services rendered as our Directors and reimbursement of expenses payable to them. For instance, SCPL, which is a Promoter Group company controlled by one of our Promoter Directors, Dr. A. Velumani, has leased certain premises to NHL. In addition, two of our Independent Directors, G. S. Hegde and Vishwas Kulkarni have received payments in terms of fees from NHL for professional legal services rendered by them to NHL. For further information, see the sections entitled “*Our Management*” and “*Our Promoters and Promoter Group*” on pages 156 and 166, respectively. For related party transactions during the last five Fiscals and the six months ended September 30, 2015, see the section entitled “*Related Party Transactions*” on page 174.

We cannot assure you that we will be able to maintain the terms of such transactions or in the event that we enter into future transactions with related parties, that the terms of the transactions will be favorable to us. Additionally, while it is our belief that all of our related party transactions have been conducted on an arm’s-length basis, we cannot provide assurance that we could have achieved more favorable terms had such transactions been entered into with third parties. We may also enter into related party transactions in the future, which could involve conflicts of interest. As such, we can provide no assurance that these transactions will not adversely affect our results of operations and financial condition.

Pursuant to the Listing Regulations applicable to our Company on Listing and the Companies Act, 2013, our Company is, *inter alia*, required to obtain prior approval by means of an ordinary resolution for all future material related party transactions. A person or entity that is considered a related party will be required to abstain from voting on resolutions pertaining to the approval of certain specified related party transactions. As a result of these new requirements, we may face difficulties entering into related party transactions in the future, in which case, we may be required to identify substitute third parties, which may not deal with us on commercially acceptable terms or at all.

For related party transactions during the last five Fiscals and the six months ended September 30, 2015 and further information, see the sections entitled “*Related Party Transactions*” and “*Financial Statements*” on pages 174, 215, 255 and 290, respectively.

**29. *The promoter and directors of our Company are involved with one or more ventures which have objects similar to that of our Company.***

In addition to our Subsidiary, the promoter and directors of our Company have a direct interest in ventures that have objects similar to that of our Company, which are as follows:

- TDPL;
- TBPL; and
- Total Diagnostics.

As of November 30, 2015, none of the above mentioned companies were carrying out any related or similar activities. However, we have not entered into a non-compete agreement with any of the above mentioned companies, and they may undertake activities similar to the ones being carried out by us and compete with us.

**30. *The land and premises on which the CPL and the RPLs are located are held by us on a leasehold basis or on a leave and license basis, which subjects us to certain risks.***

All of the land and premises on which the CPL and the RPLs are located are held by us on a leasehold basis or a leave and license basis. While we typically enter into lease or license arrangements (the “**Property Arrangements**”) that provide the lessor or licensor with the right to terminate upon notice subject to lock-in period, if any, certain of our Property Arrangements have an option to renew with the terms mutually agreed on between the parties. If any of the Property Arrangements are terminated, we may be unable to procure premises similar to the ones on which we currently operate and may suffer a disruption in our operations or be required to pay increased rental rates, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. In the event that we are required to change the locations of our laboratories or other business premises, we may be unable to recover the costs of moving. If we are forced to move, we may also be required to obtain fresh regulatory licenses and approvals. Until we receive such approvals and licenses, we may suffer disruptions in our operations and our business which may adversely affect our financial condition and results of operations.

In the event of default on behalf of the lessor/licensor, we may be unable to enforce our leases/licenses if they are not duly registered provided that in case of licenses, registration is required depending on the state law. For lease/license agreements that are deemed as insufficiently stamped, we may be required to pay additional stamp duty or make similar payments, which could have an adverse effect on our business, results of operations, cash flows and financial condition.

Title to the properties we lease could be affected by improperly executed, unregistered or insufficiently stamped conveyance instruments, unregistered encumbrances in favor of third parties, rights of adverse possessors, ownership claims of family members of prior owners or third parties, or other defects that the lessors may be unaware of. In addition to title uncertainties, there may be other irregularities, defects, non-compliance, or unsettled claims in relation to the properties that we lease or hold on a leave and license basis from time to time, including issues that we may not be aware of. For example, our properties may be subject to restrictions under our lease or license agreements or under municipal zoning or other property-related laws and regulations. Our properties could also be subject to legal proceedings regarding the restrictions on use that involve local municipal councils or regulatory authorities.

Our growth strategy involves the establishment of RPLs in different geographical areas, for which we would be required to execute new Property Arrangements. If we are able to locate appropriate premises for the RPLs, rent or license fees, as applicable, may be significantly higher or be on less favorable terms than rent required by our current Property Arrangements, which may adversely affect our business, financial condition, results of operations or prospects.

Any of the above factors may affect uninterrupted possession and use of the properties we occupy, cause us to incur significant additional compliance costs or rental expenses, or may curtail our future expansion of the RPL network, which may adversely affect our business, financial condition, results of operations and prospects.

**31. *Any increase in or materialization of our contingent liabilities could adversely affect our financial condition.***

We have certain contingent liabilities existing as at September 30, 2015 as described in on our Restated Consolidated Financial Statements in accordance with the provisions of Accounting Standard – 29 – Provisions, Contingent Liabilities and Contingent Assets. In the event any such contingencies described were to materialize or if our contingent liabilities were to increase in the future, our financial condition could adversely affected. For further details, see the section entitled “*Financial Statements*” on page 176.

**32. *We cannot assure payment of dividends in the future.***

The decision to pay dividends and the amount of such dividends, if declared, depends on a number of factors, including our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and any other factors that our Board and Shareholders deem to be relevant. While our Board had adopted a dividend policy, if we decide to retain our earnings to finance the development and expansion of our business, we may not declare dividends on the Equity Shares. Therefore, there can be no assurance that we will be able to pay dividends at any point the future.

**33. *Our insurance coverage is limited and may not adequately protect us against all material hazards.***

Our insurance coverage is limited. We have insurance policies covering our vehicles, fire and special perils insurance for some of our facilities and premises, including the CPL, the RPLs, our cyclotron facility in Navi Mumbai and our PET-CT imaging centers in Navi Mumbai, Hyderabad and New Delhi and the equipment contained therein. We also maintain directors and officers' liability insurance, which covers our employees, directors and officers from claims made against them. We do not maintain product liability insurance, business interruption insurance, or insurance coverage for some of our facilities under construction. While the policies that we maintain would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have obtained sufficient insurance (either in amount or in terms of risks covered) to cover all material losses. To the extent that we suffer loss or damage for events for which we are not insured or for which our insurance is inadequate, the loss would have to be borne by us, and, as a result, our business, financial condition and results of operations could be adversely affected.

As of the date of this Draft Red Herring Prospectus, we do not have key-man insurance policies for any of our Promoters and key managerial personnel and therefore, do not have any insurance that would help compensate any losses as a result of loss of their services.

**34. *We outsource some of the tests that we offer to third-party laboratories. Any lapse by such third-party laboratories may have adverse consequences on our business and reputation.***

For select types of tests that we offer our customers, we believe that it is more cost-effective to outsource the performance of such tests to third-party laboratories than to perform such tests ourselves. We conduct periodic reviews and assessments of our third-party laboratories in order to determine their ability to continue to meet their obligations to us. However, we do not have control over the actions of our third-party laboratories and cannot guarantee that our third-party laboratories will continue to perform such services to our satisfaction. Accordingly, we are exposed to the risk that our third-party laboratories may be unable to fulfil their contractual obligations to us. Any failure by our third-party laboratories to perform as required under our contractual or any termination of such arrangements may adversely affect our operations if we are unable to find suitable replacement laboratories in a timely manner or at all.

**35. *We procure the FDG requirements for our NHL facility at Hyderabad from third parties located in Hyderabad. If such supply were to cease for any reason, we may incur additional costs to transport FDG from our NHL facility in Navi Mumbai.***

We procure our FDG requirements for our NHL facility in Hyderabad from third parties located in Hyderabad. Such arrangements help us optimise the logistics costs and reduce the transit time for FDG supplies, which have a half-life of 110 minutes. In the event that we are no longer able to procure FDG from sources in Hyderabad for any reason, we may be required to transport FDG from our NHL facility in Navi Mumbai to Hyderabad, incurring additional costs associated with the transportation of such isotopes. Alternatively, we may be forced to procure FDG from other third parties in Hyderabad, which may not be on as favourable terms as the current arrangement.

**36. *Changing laws, rules, regulations, government policies and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.***

Our business operations and future expansion are largely driven by government policies. Our business and financial performance could be adversely affected by changes in, or interpretation of, existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business.

The application of various Indian and international sales, value-added, professional and other tax laws, rules and regulations to our products and services, currently or in the future which are subject to interpretation by applicable authorities, if amended and/or notified, could result in an increase in our tax payments (proactively or retroactively). To the extent we are unable to pass on such payments to our customers, and/or we are subjected to penalties under such laws, rules and regulations, our business operations could be negatively affected. The government has proposed a comprehensive national GST regime that will combine taxes and levies by the central and state governments into a unified rate structure. The implementation of this new structure may be affected by any disagreement between certain state governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable. Although we have not yet determined the impact of the proposed legislation on our business, there is a possibility that it could materially and adversely affect our business, prospects, financial condition and results of operation.

We are subject to the risk of adverse changes in government policies and the introduction of unfavorable policies in the future. There can be no assurance that the regulatory environment in which we operate will not change significantly and adversely. If the government were to promulgate new laws and regulations that require additional licenses or impose additional restrictions on the operation of any part of our business, compliance with such new laws and regulations may be costly and time-consuming. For instance, on August 8, 2014, a bill on ‘the Medical Consultancy and Other Services (Rationalization of Fees) Act, 2013’ (the “**Bill**”) was introduced in the Rajya Sabha which aims to rationalize the consultancy and other medical services fees in order to make them affordable for the general public. The Bill envisages the formation of a committee which will determine prices of pathological tests, scanning and imaging. Any violation of the Bill will be punishable with an imprisonment for a term of not less than a year and with a fine of up to ₹0.5 million. We are currently unable to predict the final form that the Bill will take or the impact it will have on our business, financial condition, results of operations and prospects. Any laws implemented as a result of the proposed Bill may affect our business, financial condition, results of operations and prospects.

As an additionally example, the Finance Act of 2015, which came into force in May 2015, introduces certain changes in relation to existing tax legislation. The changes introduced include a raise in service tax rates, changes to the Cenvat Credit Rules of 2004, changes in excise duty rates and amendments to the Customs Act of 1952. We cannot predict the impact of the changes introduced in the Finance Act of 2015 on our business, financial condition and results of operations.

Further, a significant change in any of these laws or regulations may require us to change our business model in order to maintain compliance with these laws or regulations, which could harm our business, operating results and financial condition.

**37. *The levy of service tax on the healthcare services industry in India in general, or on diagnostic or other healthcare services in particular, may adversely affect our business, financial condition, results of operations, prospects and cash flows.***

While healthcare services, including by way of diagnosis, treatment or care, provided by clinical establishments or authorized medical practitioners or paramedics in recognized systems of medicines in terms of Clause (h) of section 2 of the Clinical Establishments Act, 2010 are currently exempt from service tax in India under a central notification, there have been instances of tax authorities levying or contemplating the levy of taxes, or disallowing or investigating claimed exemptions or deductions.

The budgetary proposal for the Union Budget of 2011-2012 contemplated the imposition of a 5% service tax on healthcare providers in India. Although the proposed levy of tax has not been implemented in the Union Budget, we cannot assure you that service tax will not be levied on healthcare service providers in India in the future, or that any such levy will not be introduced or any such exemption presently in force will not be investigated or disallowed by the tax authorities, with retrospective effect. If such an event occurs, we may be required to obtain service tax registrations for the provision of healthcare services, or incur significant costs on account of service tax liability, including any arrears of service tax if the relevant tax legislation is retroactively effective.



**38. *Failure to comply with privacy laws and regulations may negatively impact our profitability and cash flows.***

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 customers and their patients, including by electronic means. Accordingly, we depend upon our internal information technology system for the storage and transmission of such confidential information. A compromise in our security systems that results in customer or patient personal information being obtained by unauthorized persons or our failure to comply with security requirements for use, storage and/or transmission of sensitive information could adversely affect our reputation with our customers and result in litigation against us or the imposition of penalties and fines, all of which may adversely impact our business, results of operations, financial condition and liquidity. Furthermore, new requirements for additional security and protection of the privacy of patient information could prove technically difficult, time-consuming or expensive to implement.

**39. *We may become subject to professional malpractice liability, which could be costly and negatively impact our business.***

Although we do not believe our operations or activities constitute the practice of medicine, nevertheless, claims, suits or complaints relating to services provided by our laboratories may be asserted against us in the future. In addition, we may be subject to professional liability claims, including, without limitation, for improper use or malfunction of our diagnostic imaging equipment or for accidental contamination or injury from exposure to radiation.

We may not be able to maintain and currently do not maintain liability insurance to protect us against such claims. Any claim made against us that is not fully covered by insurance could be costly to defend, result in a substantial damage award against us and divert the attention of our management from our operations, which could have a material and adverse effect on our business, reputation, financial condition and our results of operations.

**40. *We may be unsuccessful in protecting our intellectual property rights in India. Unauthorised use of our intellectual property may result in the development of technology, products or services which compete with our products. We may also be subject to third-party claims of intellectual property infringement.***

Our intellectual property rights are important to our business. We rely on a combination of patent, copyright and trademark laws, trade secrets, confidentiality procedures and contractual provisions to protect our intellectual property. We have registered the "Thyrocare", "Aarogyam" and "Sugar Scan" trademarks in certain classes in India as well as the "Thyrocare" trademark in Egypt. "Nuclear" is a registered trademark in Dr. A Velumani's name and he has licensed the trademark in our name. We have also applied for registration of the "Thyrocare" trademark in Kuwait, Pakistan, Bangladesh, Bahrain, Oman, the United Arab Emirates and the Kingdom of Saudi Arabia. However, we cannot be certain that the steps we have taken will prevent unauthorised use of our intellectual property. Furthermore, the laws of India do not protect proprietary rights to the same extent as laws in certain other countries. Therefore, our efforts to protect our intellectual property may not be adequate. Our competitors may independently develop similar technology or duplicate our products or services. Unauthorised parties may infringe upon or misappropriate our products, services or proprietary information.

The misappropriation or duplication of our intellectual property could disrupt our ongoing business, distract our management and employees, reduce our revenue and increase our expenses. The competitive advantage that we derive from our intellectual property may also be diminished or eliminated. We may need to litigate to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Any such litigation could be time-consuming and costly. As the number of patents, copyrights and other intellectual property rights in our industry increases, and as the coverage of these rights increases, we believe that companies in our industry will face more frequent infringement claims. Defending against these claims, even if not meritorious, could be expensive and divert our attention and resources from operating our Company. Also, there can be no assurance that, as our business expands into new areas, we

will be able to independently develop the technology necessary to conduct our business or that we can do so without infringing on the intellectual property rights of others.

We do not own some of the copyrights, trademarks, trade names or other intellectual property rights, including certain classes of “Thyrocare” trademarks and other trade names or trademarks, such as “WHATERS” and “Nueclear”. The “Nueclear” trademark and logo are owned by our Promoter, Dr. A. Velumani, who has been allowing our subsidiary, NHL, the use thereof. However, there is no license agreement in place with respect to the use of the “Nueclear” trademark and logo. Accordingly, in the event that we lose the ability to use any of the copyrights, trademarks, trade names or other intellectual property rights that we do not own and for which we do not have a license arrangement in place, our business could be adversely affected.

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, those 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. Other companies or individuals, including our competitors, may obtain patents or other rights that could interfere with our ability to provide our services or operate our business or that could increase our costs or reduce our revenues. Necessary licenses may not be available to us on satisfactory terms, if at all. Consequently, we may be involved in intellectual property litigation and it may be found that we have infringed on the proprietary rights of others, which finding could force us to do one or more of the following:

- cease performing or selling the services that incorporate the challenged intellectual property;
- pay for and obtain licenses from the holder of the infringed intellectual property right;
- reengineer our tests and services and develop non-infringing technology;
- restructure our business processes;
- provide indemnification to patients for third-party breaches of intellectual property pursuant to our contracts with such parties; or
- pay damages, court costs and legal fees, including any increased damages for any infringement that is deemed to be willful.

For further details, see the section entitled “*Outstanding Litigation and Material Developments*” on pages 337 and 338, respectively.

Regardless of their merit, infringement and other intellectual property claims are often expensive and time-consuming to litigate. Additionally, if we are required to reengineer our tests or restructure our business processes, this could substantially increase our costs, force us to halt product sales or delay new test releases. We may be unable to develop non-infringing technology or to obtain a license on commercially reasonable terms, or at all. Future infringement claims may also arise as patents could be issued that cover tests or processes that we may be currently performing, particularly in evolving and specialty testing areas.

The materialization of any of the foregoing risks could adversely affect our business, results of operations and financial condition.

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

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 shares.

Our company and operations are subject to anti-corruption laws and regulations. These laws prohibit us and our employees and intermediaries from engaging in bribes or making other types of prohibited payments to prohibited persons to gain a business advantage. Our transactions and relations with certain third parties

could subject us to liability under these laws or other local anti-corruption laws. Our code of conduct requires our employees and intermediaries to comply with all applicable laws and we are continually enhancing our policies and procedures to ensure compliance with these laws; however, such measures may not prevent the breach of these laws, particularly in emerging markets such as India. Additionally, we are unable to predict the manner in which these laws may be administered or interpreted or the impact of future regulatory requirements on our business and operations.

We cannot provide assurance that we will be completely effective in ensuring our compliance with all applicable anti-corruption laws. If we break any of the anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement, other sanctions and remedial measures, as well as associated legal expense, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Additionally, any investigation of a potential violation of the anti-corruption laws by the relevant authorities could have an adverse impact on our reputation, our business, results of operations and financial condition.

As a result of sanctions imposed by countries, including the United States, Commonwealth countries and member states of the European Union, business activities in particular countries or with certain individuals are regulated, restricted or prohibited. Failure to comply with these laws and regulations may expose us to risk of adverse and material financial, operational, or other impacts. Sanctions regimes and related laws and regulations are complex and fluid and may be enacted, amended, enforced or interpreted in a manner that materially impacts our operations. To the best of our knowledge, neither we nor our affiliates, are the subject, or have ever been the subject, of any sanctions or a related government investigation or enforcement action.

If either we or our affiliates are found to be in violation of sanctions laws, we or our affiliates could be subject to financial or other penalties. Even when a violation of sanctions laws cannot be established, government investigations or other actions by other related groups may result in reputational or other harm to us.

**42. *Failure to establish, and conform to, appropriate quality standards could adversely affect our reputation and results of operations.***

The provision of pathology testing services and molecular imaging services involves inherent risks. Our services are intended to provide healthcare providers with information needed to care for their patients and individuals with information that assists with the identification of diseases or risks from particular chronic diseases. Any delays or inaccuracies in the results we provide may result in the patient undergoing wrong treatment or the wrong course of action which could cause the patient to suffer great stress or harm. As a result of these risks, users of our diagnostic healthcare 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. If we are unable to meet the appropriate quality standards or if we are negligent, it can lead to inappropriate treatment of patients or other adverse events. We may be sued by our clients under applicable laws including the Consumer Protection Act, 1986, as amended, and may be subject to substantial damages awards or risks to our reputation in such events. For further details, see the section entitled “*Outstanding Litigation and Material Developments*” on page 334.

Our quality certifications are critical to the marketing success of our services. If our testing components fail to meet these standards or fail to adapt to evolving standards, our goodwill will be harmed, our competitive advantage could be adversely affected, and we could lose customers and market share. We have received accreditations from, *inter alia*, the College of American Pathologists and National Accreditation Board for Testing and Calibration Laboratories. These accreditors prescribe best practices that we must adopt and implement to maintain such accreditations. Each of the above two accreditors, in particular, conduct periodic audits of our CPL and TSPs to assess our compliance with their prescribed standards. Accreditations from these accreditors may be delayed, such that we may operate for a period of time with pending accreditations. For example, in Fiscal 2015, our accreditation from the National Accreditation Board for Testing and Calibration Laboratories was delayed pending assessment. Furthermore, if our laboratory or one or more of our TSPs fails to comply with the prescribed practices of these organizations, we could lose one or more of our accreditations, which may adversely affect our reputation, our ability to attract customers and results of operations.

**43. *We have overseas operations and are subject to risks associated with doing business internationally.***

At present, we have a minority equity interest in TIHCM, which holds TGL and Thyrocare LG Nepal Private Limited, which conduct business in Bahrain and Nepal, respectively. The CPL receives samples requiring non-routine tests from TGL. TGL conducts its own routine tests on samples that it receives. We entered into a royalty agreement dated September 17, 2013 with TIHCM and Thyrocare Bangladesh Limited. Pursuant to the royalty agreement, our Company and TIHCM: (a) provide certain services, including technical and IT support, equipment and reagent and consumables procurement, operational support and training; (b) exclusive rights to use the trademark, tradename, operating procedures and software for a period of 25 years, as specified, to Thyrocare Bangladesh Limited in return for a royalty payment based on the revenue of Thyrocare Bangladesh Limited.

As part of our growth strategy, we may continue to explore select opportunities to expand our business beyond India. Our ability to continue to generate revenue and increase demand for our services outside of India depends in significant part on our business partners. There are a number of risks in having overseas operations, where we have less experience, including political and economic uncertainty, social unrest, sudden changes in laws and regulations, shortages of trained labor and the uncertainties associated with entering into joint ventures or similar arrangements in foreign countries. These risks may impact our ability to expand our operations in different regions and otherwise achieve our objectives relating to our foreign operations. In addition, compliance with multiple and potentially conflicting foreign laws and regulations, import and export limitations and exchange controls is burdensome and expensive. Our foreign operations also subject us to the risks of international terrorism and hostilities and to foreign currency risks, including exchange rate fluctuations and limits on the repatriation of funds. Our international expansion plans may require investment but may fail to generate the level of returns we expect. If we are unable to expand our international business effectively or at all, our business, financial conditions, results of operation and business prospects may be adversely affected.

Our ability to continue to generate revenue and increase demand for our products outside of India depends in significant part on our joint venture partners. However, we have limited control over our international business partners. Our international business partners may fail to provide an adequate level and quality of service to customers or otherwise fail to perform pursuant to agreements. Our international business partners may misuse, infringe or violate our intellectual properties to their advantage, adopt or implement unsuccessful marketing strategies for our clinical laboratory services or fail to devote the necessary resources to successfully operate the venture, the occurrence of any of which could damage our brand, business, financial condition, results of operations and business prospects.

**44. *Our business is subject to seasonality.***

We experience seasonal fluctuations in our revenue and profitability. We generally experience a higher volume of preventive diagnostic and wellness tests and earn more revenue in the fourth quarter (which ends March 31) than in other quarters of a given fiscal. This may be due in part to the seasonal effects of Indian festival holidays, which impact demand during the quarters ended September 30 and December 31 each year, and a higher spend by employees of many of our Indian company clients toward the end of a particular fiscal. In light of the foregoing, we generally time our marketing and promotional activities to run during the fourth quarter, which helps drive volumes in that quarter.

Such fluctuations in revenue and profitability could have a material adverse effect on our business, financial condition and results of operations.

**45. *Increased staff costs could negatively affect our ability to operate efficiently and adversely affect our profitability. An inability to attract and retain experienced and qualified personnel could adversely affect our business.***

Our staff includes medical doctors, PhDs and postgraduates in biochemistry, pathology, microbiology and other science related disciplines. As of November 30, 2015, our Company had 660 employees (including lab engineers, marketing employees, finance/administration/corporate office/others, consultants, nuclear medical professionals, trainees and those under contractual employment with our Company). For the six months ended September 30, 2015, our employee benefits expense was ₹99.97 million, which comprised 8.54% of total revenues for the same period.

As demand for labor grows in India, there could be a corresponding rise in salary and wage costs, causing us to increase the salaries of our employees for attraction and retention purposes. Increases in labor costs will increase our expenses and could have a material adverse effect on our business, financial condition and results of operations.

Success in maintaining and growing our diagnostic testing services business depends in part on our ability to attract and retain skilled research professionals. In addition, the success of our pathology testing business also depends on employing and retaining qualified and experienced laboratory professionals, including specialists, who perform specialized laboratory testing services and work during off-peak hours. We face significant competition for qualified and competent personnel for our operations. While we attempt to provide competitive compensation packages to attract and retain key personnel, some of our competitors may have greater resources and more experience than us, making it difficult for us to compete for key personnel.

**46. *Our ex-employees have in the past, and may in future, make defamatory statements concerning us on the internet or otherwise, which could result in harm to our brand or reputation.***

Some of our ex-employees have, in the past, made defamatory statements and allegations concerning us on the internet or otherwise. For example, we require all employees to provide us with a caution amount as a condition of employment. Upon the successful completion of two years of continued service with us, we refund the deposited amount to the relevant employee and pay such employee a retention allowance in an equivalent amount. If an employee leaves our employ prior to completing two years of service, he/she forfeits the entire deposited amount, a policy which has been commented upon negatively by previous employees. There is no assurance that future ex-employees will not also engage in such activity in the future, which could result in harm to our brand or reputation.

**47. *The statistical and market information contained in this Draft Red Herring Prospectus relating to India, the Indian economy and the diagnostic testing sector has been derived or extracted from the CRISIL Report commissioned by us and from various government and other publicly-available publications.***

The statistical and market information contained in this Draft Red Herring Prospectus relating to India, the Indian economy and the diagnostic testing sector have been derived or extracted from the CRISIL Report commissioned by us, and from government publications and reports from other publicly-available publications that we believe are reliable. These statistics and market information include the data and statistics included in the section entitled “*Industry Overview*” on page 98. Investors should note that CRISIL was engaged to prepare the CRISIL Report for use in this Draft Red Herring Prospectus. CRISIL has advised that the statistical and other market information contained in the CRISIL Report and reproduced in this Draft Red Herring Prospectus is drawn from sources that it considers reliable. As this Draft Red Herring Prospectus contains information from an external industry report we do not guarantee the accuracy, adequacy or completeness of the information and disclaim responsibility for any errors or omissions in the information or for the results obtained from the use of the information.

Investors should also note that no independent verification has been carried out on any facts or statistics that are directly or indirectly derived from official government publications, other publications, as well as the CRISIL Report. We believe that the sources of the information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We and our affiliates or advisors or any other party involved in the Offer, other than CRISIL with respect to the information contained in the CRISIL Report, make no representation as to the accuracy or completeness of such information. Such statistics and other market information may not be consistent or comparable to statistics compiled elsewhere and should not be unduly relied upon.

## **EXTERNAL RISK FACTORS**

**48. *You will not be able to immediately sell any of the Equity Shares you subscribe to in this Offer on an Indian stock exchange.***

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after the Equity Shares in this Issue have been allotted. Approval will require all other relevant documents authorizing the sale of the Equity Shares to be submitted. There could be failure or delays in listing the Equity Shares on the Indian Stock Exchanges.

The Equity Shares are proposed to be listed on the Indian Stock Exchanges. Further, pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading can commence. Investors' "book entry", or "demat", accounts with Depository Participants are expected to be credited within three Working Days of the date on which the Basis of Allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of final approval from the Designated Stock Exchange, trading in the Equity Shares is expected to commence within 6 Working Days from Bid/ Offer Closing Date.

We cannot assure you that the Equity Shares will be credited to the investors' demat account, or that the trading in the Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining the approvals would restrict your ability to dispose of the Equity Shares.

**49. *Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth 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 or sales of our Equity Shares by our Promoter or other major shareholders 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. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

**50. *We have issued Equity Shares in the last 12 months at a price which may be lower than the Offer Price.***

We have issued Equity Shares in the last 12 months, including in connection with our acquisition of NHL, which may be at a price lower than the Offer Price. For further details, see the section entitled "*Capital Structure*" on page 89. We may continue to issue Equity Shares, including under our Company's employee stock option scheme, at a price below the market price of Equity Shares at the time of issuance. The Offer Price is not indicative of the price that will prevail in the open market following listing of the Equity Shares.

**51. *We will not receive any proceeds from the Offer.***

The Offer comprises entirely of the sale of Equity Shares by the Selling Shareholders. Accordingly, our Company will not receive any proceeds from the sale of Equity Shares in the Offer. For further details, see the section entitled "*Objects of the Offer*" on page 92.

**52. *Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.***

Foreign ownership of Indian securities is subject to government regulation. In accordance with the foreign exchange regulations currently in force in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet the requirements specified by the RBI. The RBI must approve the conversion of the Rupee proceeds from any such sale into foreign currency and repatriation of that foreign currency from India unless the sale is made on a stock exchange in India through a stock broker at the market price. As provided in the foreign exchange controls currently in effect in India, the RBI has provided the price at which the Equity Shares are transferred based on a specified formula, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on terms favorable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline. For further details, see the section entitled "*Restrictions on Foreign Ownership of Indian Securities*" on page 429.

**53. *Our business is substantially affected by prevailing economic, political and other prevailing conditions in India.***

Our Company is incorporated in India, and the majority of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the

Indian economy, and therefore our results of operations, may include:

- any increase in Indian interest rates or inflation;
- political instability, a change in government or a change in the economic and deregulation policies;
- domestic consumption and savings;
- balance of trade movements, namely export demand and movements in key imports (oil and oil products);
- annual rainfall which affects agricultural production;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- 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;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- other significant regulatory or economic developments in or affecting India or its IT sector.

High rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

***54. Communal disturbances, riots, terrorist attacks and other acts of violence or war involving India and/or other countries could adversely affect India's economy and the financial markets, result in loss of client confidence, and adversely affect our business, financial condition, cash flows and results of operations.***

India has experienced communal disturbances, terrorist attacks and riots during recent years. Any major hostilities or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business and may adversely affect the Indian stock markets where our Equity Shares will trade as well as global equity markets generally. Such acts could negatively impact business sentiment and consumer confidence, which could adversely affect our business and profitability.

India and other countries may enter into armed conflict or war with other countries or extend pre-existing hostilities. For example, neighbor countries in West and South Asia have experienced instances of civil unrest and hostilities. Military activity or terrorist attacks could adversely affect the Indian economy by, for example, disrupting communications and making travel more difficult. Such events could also create a perception that investments in Indian companies involve a higher degree of risk. This could adversely affect client confidence in India, which could have a negative impact on the economies of India and other countries, on the markets for our products and services and on our business. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

***55. Health epidemics and natural calamities in Asia or elsewhere could adversely affect the Indian economy or our business and the price of our Equity Shares.***

Since 2003, outbreaks of Severe Acute Respiratory Syndrome in Asia, avian influenza across Asia and Europe, Ebola virus in western Africa, and Influenza A (H1N1) across the world have adversely affected a number of countries and companies. Any future outbreak of infectious diseases or other serious public health epidemics may have a negative impact on the economies, financial markets and level of business activity in affected areas, which may adversely affect our Company's business. India has also experienced natural calamities such as earthquakes, floods, drought and a tsunami in the recent past. The length and severity of these natural disasters determine the extent of their impact on the Indian economy. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy. Any future outbreak of infectious disease among humans and/or animals or any other serious public health concerns or the occurrence of any natural calamities could materially and adversely affect our business, prospects, financial condition, cash flows and results of operations, and the price of our Equity Shares.

**56. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.***

The Competition Act was enacted to prevent practices that have or are likely to have an adverse effect on competition in India and has mandated the CCI to separate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and is void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Indian central 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 CCI. Additionally, on May 11, 2011, the CCI issued the 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 other things, prohibit all agreements and transactions which may have an appreciable adverse effect 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 of India if such agreement, conduct or combination has an appreciable adverse effect 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. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, any enforcement proceedings initiated by the CCI, 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, financial condition, results of operations and prospects.

**57. *Indian law limits our ability to raise capital outside of India and may limit the ability of others to acquire us, which could prevent us from operating our business or entering into a transaction that is in the best interests of our shareholders.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources for our business and could therefore constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

**58. *Significant differences exist between Indian GAAP, which is used throughout our financial information and other accounting principles with which investors may be more familiar.***

As stated in the Statutory Auditors' report included in this Draft Red Herring Prospectus, our financial statements are prepared and presented in conformity with Indian GAAP, consistently applied during the periods stated, except as provided in such reports, and no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, including IFRS.

Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on your familiarity with Indian GAAP and the Companies Act, 2013. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.



**59. Public companies in India, including us, are required to prepare financial statements under Ind AS and compute Income Tax under the Income Computation and Disclosure Standards (the “ICDS”). The transition to Ind AS and ICDS in India is recent and remains unclear and we may be negatively affected by such transition.**

India has adopted the “Convergence of its existing standards with IFRS” and not IFRS. These “IFRS based/ synchronized Accounting Standards” are referred to in India as Ind AS. On January 2, 2015, the Ministry of Corporate Affairs announced a revised roadmap for the implementation of Ind AS (on voluntary as well as mandatory basis) for companies other than banking companies, insurance companies and non-banking finance companies. By way of a notification dated February 16, 2015, the Ministry of Corporate Affairs has set out the Ind AS and the timelines for their implementation. The Ind AS Rules provide for voluntary adoption of Ind AS by companies in Fiscal 2015. The mandatory implementation of Ind AS will be done based on companies’ respective net worth, as set out below:

| Sr. No. | Category of companies                                                                                                                                                 | First Period of Reporting                           |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| 1       | Companies whose securities are either listed or proposed to list, on any stock exchange in India or outside India and having a net worth of ₹5,000 million or more.   | Financial year commencing on or after April 1, 2016 |
| 2       | Companies other than those covered in (1) above and having a net worth of ₹5,000 million or more.                                                                     | Financial year commencing on or after April 1, 2016 |
| 3       | Holding, subsidiary, joint venture or associate companies of companies covered above in serial number (1) and (2).                                                    | Financial year commencing on or after April 1, 2016 |
| 4       | Companies whose securities are either listed or proposed to list, on any stock exchange in India or outside India and having a net worth of less than ₹5,000 million. | Financial year commencing on or after April 1, 2017 |
| 5       | Unlisted companies having a net worth of ₹2,500 million or more but less than ₹5,000 million.                                                                         | Financial year commencing on or after April 1, 2017 |
| 6       | Holding, subsidiary, joint venture or associate companies of companies covered above in serial number (4) and (5).                                                    | Financial year commencing on or after April 1, 2017 |

Any holding, subsidiary, joint venture or associate companies of the companies specified above must also comply with the requirements from the respective periods specified above.

Given that Ind AS is different in many respects from Indian GAAP under which our financial statements are currently prepared, for the period commencing from the mandatory timelines, our financial statements may not be comparable to our historical financial statements.

Further, we have made no attempt to quantify or identify the impact of the differences between Ind AS and Indian GAAP as applied to our financial statements and there can be no assurance that the adoption of Ind AS will not affect our reported results of operations or financial condition. In addition, our management may also have to divert its time and other resources for the successful and timely implementation of Ind AS. Any failure to successfully adopt Ind AS may have an adverse effect on the trading price of the Equity Shares and/or may lead to regulatory action and other legal consequences. Moreover, our transition to Ind AS reporting may be hampered by increasing competition and increased costs for the relatively small number of Ind AS experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements. Any of these factors relating to the use of Ind AS may adversely affect our financial condition and results of operations.

In addition, the Ministry of Finance has issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. ICDS came into effect from April 1, 2015 and shall apply to Financial Year 2016 onwards. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. For example, where ICDS-based calculations of taxable income differ from Indian GAAP or Ind AS based concepts, the ICDS-based calculations will have the effect of requiring taxable income to be recognized earlier, higher overall levels of taxation to apply, or both. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for MAT, which our Company currently pays. We have made no attempt to quantify or identify the impact of the computation of taxable income following ICDS. It is possible that the resultant computation of taxable income based on ICDS and net income based on our Company’s financial statements may be significantly different and, if they differ,

we may be required to recognize taxable income earlier and/or pay higher overall taxes.

**60. *Changes in legislation or the rules relating to tax regimes could adversely affect our business, prospects and results of operations.***

Taxes and other levies imposed by the government or state governments that affect our industry include income tax and other taxes, duties or surcharges introduced from time to time. Changes in legislation governing the implementation of such tax regimes or the regulator enforcing them could adversely affect our results of operations. The applicable categories of taxes and tax rates also vary significantly from state to state and may be amended from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction, the significant use of estimates and assumptions regarding the scope of future operations and results achieved, and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year.

The government has proposed a comprehensive national GST regime that will combine taxes and levies by the central and state governments into a unified rate structure. Although the government has announced that it is committed to introduce GST with effect from April 1, 2016, given the limited availability of information in the public domain concerning the GST, we are unable to provide the exact date that GST is to be introduced or any other aspect of the tax regime following implementation of the GST. Further, any disagreements between certain state governments may also create further uncertainty towards the implementation of the GST. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

Further, the GAAR is proposed to be effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

We have not determined the impact of such proposed legislations on our business. 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 business or restrict our ability to grow our business in the future. We are currently involved in various disputes with tax authorities. For further details, see the section entitled “*Outstanding Litigation and Material Developments*” on page 334.

**61. *Investors may have difficulty enforcing foreign judgments against us or our management***

We are a limited liability company incorporated under the laws of India. Substantially all of our directors and executive officers are residents of India and a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside of India, or to enforce judgments obtained against such parties outside of India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of CPC on a statutory basis. 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 a refusal to recognise 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 (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. Such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a

superior court, within the meaning of that Section, in any country or territory outside of India which the Indian central government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees, which are dissimilar to amounts payable in respect of taxes, other charges of a like nature, a fine or other penalties.

We have been advised by our Indian counsel that the United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters, other than arbitration awards. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Indian Foreign Exchange Management Act, 1999, to execute such a judgment or to repatriate any amount recovered.

***62. Fluctuation in the value of the Rupee against foreign currencies may have an adverse effect on our results of operations.***

While most of our revenues and our expenses are denominated in Indian Rupees, we have and may enter into agreements, including financing agreements and agreements to acquire components and capital equipment, which are denominated in foreign currencies and require us to bear the cost of adverse exchange rate movements. Accordingly, any fluctuation in the value of the Rupee against these currencies has and will affect the cost of servicing and repaying any obligations we may incur that expose us to exchange rate risk.

***63. Investing in securities that carry emerging market risks can be affected generally by volatility in the emerging markets.***

The markets for securities bearing emerging market risks, such as risks relating to India, are influenced by economic and securities market conditions in other emerging market countries to varying degrees. Although economic conditions differ in each country, investors' reactions to developments in one country may affect securities of issuers in other countries, including India. Accordingly, the price and liquidity of our Equity Shares may be subject to significant fluctuations, which may not necessarily be directly or indirectly related to our financial performance.

***64. 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 certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. 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. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

***65. 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 by our company. However, if the laws of the jurisdiction the investors are located in do not permit them to exercise their pre-emptive rights without our Company 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 our Company makes 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-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

**66. *You may be subject to Indian taxes arising out of capital gains on the sale of the 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. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid to an Indian resident, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

**67. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law, including those related to class actions, may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder in an Indian company than as a shareholder of a corporation in another jurisdiction.

**68. *A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely affect us.***

A decline or future material decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our financial condition and future financial performance.

**Prominent Notes**

1. We were incorporated as 'Thyrocare Technologies Limited' under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated January 28, 2000 and certificate of commencement dated March 7, 2000, issued by the Registrar of Companies. For further details, see the section entitled "*History and Certain Corporate Matters*" on page 142 of this Draft Red Herring Prospectus.
2. Public offer of up to 10,744,708 Equity Shares of face value of ₹10 each of our Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹10 per Equity Share) through an offer for sale by the Selling Shareholders aggregating up to ₹ [●] million.
3. The net worth of our Company as of September 30, 2015 was ₹2,645.50 million on the basis of the Restated Standalone Financial Statements and ₹2,598.43 million on the basis of the Restated Consolidated Financial Statements.

4. The net asset value per Equity Share of our Company as of September 30, 2015 was ₹52.35 on the basis of the Restated Standalone Financial Statements and ₹51.42 on the basis of the Restated Consolidated Financial Statements.

5. The average cost of acquisition of Equity Shares by the Promoters is as follows:

| Name of the Promoters | Number of shares held by the Promoter | Average cost of acquisition of Equity Shares (₹) |
|-----------------------|---------------------------------------|--------------------------------------------------|
| Dr. A. Velumani       | 14,213,348                            | 64.58                                            |
| A. Sundararaju        | 249,669                               | 12.83                                            |

6. For further details, see the section entitled “*Related Party Transactions*” on page 174.
7. None of our Group Companies have any business or other interests in our Company. For details of transaction with this Group Companies and our Subsidiary during the last five Fiscals, the nature of transactions and the cumulative value of transactions, see the section entitled “*Related Party Transactions*” on page 174.
8. There has been no financing arrangement whereby the Promoter Group, the Directors and their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI.
9. Investors may contact the BRLMs who have submitted the due diligence certificate to the SEBI for any complaints, information or clarification pertaining to the Offer.

## SECTION III: INTRODUCTION

### SUMMARY OF INDUSTRY

#### **Indian Healthcare Industry**

##### ***Healthcare spend in India is only 4% of GDP***

According to the World Bank, expenditures for availing healthcare services by the Indian population amounted to approximately 4% of GDP in 2013. In the year 2013, India's nominal GDP was approximately ₹113 trillion; accordingly, the total healthcare expenditure in India during 2013 can be estimated at around ₹4.1 trillion (as per the CRISIL Research Report). Healthcare services expenditure in India is estimated to have risen by close to 15% over the ten-year period from 2003 to 2013. CRISIL Research estimates that the size of the Indian healthcare industry amounted to approximately ₹4.7-5.0 trillion (or US\$77-82 billion) in the fiscal year 2014-2015. Over the next three fiscal years, it is expected that the size of the Indian healthcare industry will grow at a CAGR of approximately 12-14% to reach ₹6.7-7.1 trillion (or US\$105-117 billion) in the fiscal year 2017-2018.

Per capita healthcare expenditure in India in the fiscal year 2014-2015 amounted to ₹3,871 (or US\$63). Over the next three fiscal years, it is estimated that per capita healthcare expenditure in India will grow at a CAGR of approximately 10-12% to reach ₹5,194-5,481 (or US\$82.9-87.5) in the fiscal year 2017-2018. When compared to certain other countries, healthcare in India remains underpenetrated. India trails not just developed countries such as the United States and the United Kingdom, but also developing countries, such as Brazil, China, and Thailand in terms of health care spending as a proportion of GDP.

##### ***Private expenditure on healthcare constitutes majority of healthcare spend***

According to the CRISIL Research Report, a majority of India's healthcare expenditure is private as opposed to public. The share of the general government expenditure on healthcare in India has improved from 27% in 2000 to 32.2% in 2013 (on a percentage of total expenditure on health basis). However, India ranks lower than other developing countries, such as Brazil, Malaysia and China on general government expenditure on health. In 2013, a significant portion of India's private healthcare expenditure was in the form of out-of-pocket expenditure, both on a percentage basis, at 85.9%, and as compared to other developing and developed countries.

##### ***Breakdown of the Indian healthcare industry***

The healthcare market in India broadly comprises the following:

- Healthcare delivery market (hospitals): The Indian healthcare delivery market stands at ₹3,800 billion as of 2014-15.
- Pharmaceutical industry: The Indian pharmaceutical market which comprises the domestic demand for formulations stands at ₹746 billion as of 2014-15.
- Diagnostics industry: The Indian diagnostics industry currently stands at ₹377 billion as of 2014-15.

As there is a certain degree of overlap in terms of function and revenues among the segments, the same cannot be consolidated to arrive at the market size of the Indian healthcare market.

##### ***Urban vs. rural demand***

According to the CRISIL Research Report, the urban population accounted for only approximately 28% (as per the CRISIL Research Report) of the entire Indian population in the fiscal year 2014-2015, but contributed to approximately 67% of the revenues of Indian diagnostic market. Urban centers, particularly metros, tier-I and tier-II cities, have better access to the healthcare delivery systems, including hospitals, clinics, and diagnostic centers. In addition, since the urban population has a higher disposable income, they can offer (and have a higher demand for) more advanced healthcare services and facilities, including consuming a greater number of diagnostic tests.

##### ***Indian diagnostics industry***

In India's healthcare industry, diagnostic services play the role of an information intermediary, providing useful information for the accurate diagnosis and treatment of patients' diseases.

The diagnostic industry in India can be classified into pathology testing services and imaging diagnostic services. Pathology testing or invitro diagnosis involves the collection of samples, in the form of blood, urine, stool, etc., and analyzing them using laboratory equipment and technology to arrive at useful clinical information, in order to assist with treatment of patients' diseases. The pathology testing segment includes biochemistry, immunology, hematology, urine analysis, molecular diagnosis and microbiology. Imaging diagnosis or radiology involves imaging procedures such as X-rays and ultrasounds, which help mark anatomical or physiological changes inside a patient's body, in order to assist doctors to diagnose patient's disease. The imaging diagnostic segment also includes more complex tests, such as CT scans and MRIs, and highly specialized tests, such as PET-CT scans.

From the fiscal year 2011-2012 to the fiscal year 2014-2015, the Indian diagnostic industry grew at a CAGR of approximately 16% to approximately ₹ 377 billion (or US\$6.2 billion). For the next three fiscal years, it is estimated that the Indian diagnostic industry will grow at a CAGR of approximately 16-18% to reach ₹ 585-616 billion (or US\$9.3-9.8 billion) in the fiscal year 2017-2018.

### ***Wellness and preventive diagnostic services***

Wellness and preventive diagnostic services are aimed at identifying pre-existing diseases or the likely risk of particular diseases before the onset of actual symptoms. It is expected that wellness and preventive diagnostic services will assist people to more accurately identify risks so that they can take corrective or precautionary measures before any chronic condition substantiates. Wellness and preventive tests are generally aligned to either specifically screen for a chronic disease or contain a series of tests to ascertain the overall health condition of an individual. According to the CRISIL Research Report, a majority of these wellness and preventive tests consists of biochemistry tests to screen for an individual's risk of chronic diseases, such as cardiovascular diseases, diabetes and cancers. Some diagnostics service providers also offer basic imaging services, such as X-rays and ultrasounds, in addition to pathology testing services.

The CRISIL Research Report estimates that the wellness and preventive diagnostic services segment accounted for approximately 6-8% of the aggregate diagnostic services market in the fiscal year 2014-2015. It is expected that this segment will grow at a CAGR of close to 25% over the next three fiscal years.

### ***Organized vs. unorganized category***

Historically, the diagnostic industry has been dominated by standalone diagnostic centers and hospital-based diagnostic services. Standalone diagnostic centers are diagnostic centers with a single laboratory/center. Hospital-based diagnostic services include all diagnostic procedures carried out at the hospital for patients who are either admitted as an in-patient or are treated as an out-patient of the hospital. Over time, the absence of stringent regulations and the low-entry barriers have contributed to the establishment of a number of standalone diagnostic centers and a relatively fragmented market. Standalone centers usually carry out basic tests, which require minimal investments and physical space.

Diagnostic chains, which constitute the organized market, have emerged in recent years. The CRISIL Research Report defines the organized market as constituting diagnostic service providers that offer pathology and imaging services and operate out of more than one center, with large chains that have a pan-India presence. These players adopt the hub and spoke model of business operations and utilize modern logistics and information management systems to operate their network. According to the CRISIL Research Report in 2014 - 15, the share of diagnostic chains in the overall diagnostic market in India was approximately 15%. It is expected that the share of diagnostic chains in the overall diagnostic market in India will grow at a CAGR of approximately 21-23% to reach 16% in the fiscal year 2017-2018.

Diagnostic chains can be further categorized into large pan-India chains and regional chains. Currently, there are approximately seven large diagnostic chains in India, based on their revenues. These chains had an estimated 35-40% of the diagnostic chains market share in the fiscal year 2014-2015. Regional chains are diagnostic chains with centers concentrated in a single city or state in India. Regional chains had approximately 60-65% of the diagnostic chains market share in India in the fiscal year 2014-2015. In the fiscal year 2017-2018, it is expected that pan-India diagnostic chains will grow to about 37-42% of the diagnostic chains market share.

### ***Hub and spoke model***

According to the CRISIL Research Report, diagnostic chains are able to benefit from resource allocations, economies of scale and standardized testing procedures. They enjoy higher bargaining power with suppliers,

which enable them to maintain lower operating costs when compared to standalone diagnostic centers. Due to the size of their operations, they are able to offer more complex as well as a greater range of tests than standalone diagnostic centers. Diagnostic chains mainly adopt the hub-and-spoke model to extend their catchment area. The components of a hub-and-spoke model typically include a national reference lab, regional or reference lab, satellite labs and collection centers.

***Demand drivers for the Indian diagnostic industry***

- Sizeable demand-supply gap
- Changing disease profiles
- Increase in health insurance coverage
- India is emerging as a medical tourism destination
- Rising income levels have made quality healthcare services more affordable

***Developing trends***

- Network expansion
- Emphasis on a doctor referral network
- Emphasis on brand building

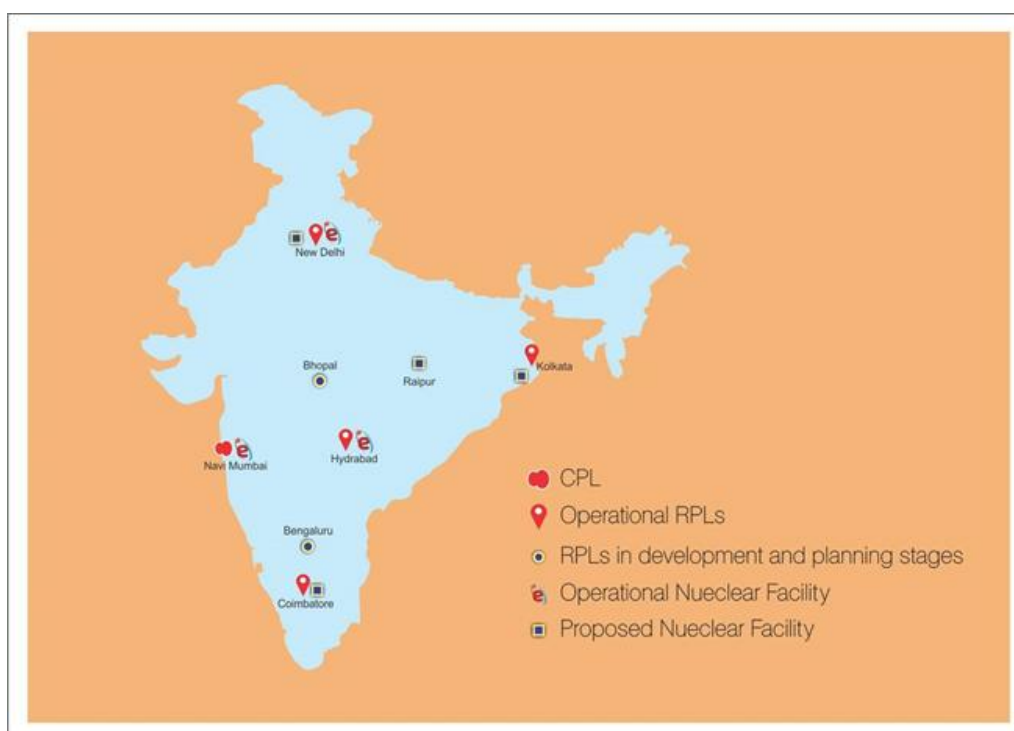
For further details, see the section entitled “*Industry Overview*” on page 98.



## SUMMARY OF BUSINESS

We are one of the leading pan-India diagnostic chains and conduct an array of medical diagnostic tests and profiles of tests that center on early detection and management of disorders and diseases. As of November 30, 2015, we offered 192 tests and 54 profiles of tests to detect a number of disorders, including thyroid disorders, growth disorders, metabolism disorders, auto-immunity, diabetes, anemia, cardiovascular disorders, infertility and various infectious diseases. Our profiles of tests include 17 profiles of tests administered under our “Aarogyam” brand, which offers patients a suite of wellness and preventive health care tests. We primarily operate our testing services through a fully-automated CPL and have recently expanded our operations to include a network of RPLs. Since the opening of the RPLs in 2015, we have seen an increase in the volume of tests that we have conducted from a daily average of approximately 95,610 in Fiscal 2014 to approximately 131,073 in Fiscal 2015 and approximately 165,672 in the six months ended September 30, 2015. Through our wholly owned subsidiary, NHL, we operate a network of molecular imaging centers in New Delhi, Navi Mumbai and Hyderabad, focused on early and effective cancer monitoring.

The locations of each of our services and operations are depicted by the map below:



Our CPL, which is located in Navi Mumbai, is equipped with automated systems, diagnostic testing instruments and processes from leading international and Indian healthcare brands. The CPL is fully automated and driven by a barcoded and bi-directionally-interfaced system and an LIS. The CPL meets international standards of quality and has received global accreditations from CAP, the NABTCL and the ISO.

We commenced setting up RPLs in 2014 and opened four RPLs in 2015, one in each of New Delhi, Coimbatore, Hyderabad and Kolkata, which process samples sourced from their respective regions. The diagnostic services offered at the RPLs do not encompass the entire range of tests we offer, but primarily constitute routine tests conducive to high volume testing, including thyroid tests, profiles of tests offered under the Aarogyam brand and liver and kidney function tests. Such samples are sent to the RPLs if they are collected proximate to an RPL, such that directing the sample to the RPL requires less time and transportation costs than directing the sample to the CPL. By routing these tests to such RPLs, the resources of the CPL can be utilised to process the additional samples generated by our pan-India network of authorized service providers that are not proximate to an RPL. In order to further expand our offering of tests, we are now using the CPL to test new technology and develop innovative testing. For example, in Fiscal 2015, we explored new specialized testing techniques such as cytogenetic testing, water testing and the development of new tests based on mass spectrometry.

To further grow our business and volumes of samples processed by us, we intend to expand our network of RPLs to a greater number of cities across India. For example, we are currently in the advanced stages of setting

up an additional RPL in Bhopal and are in the planning phase of setting up a RPL in Bengaluru. We plan on targeted expansion of our network by continuing to establish RPLs in locations with close proximity to rail or road networks and in markets that are expected to generate high volumes of samples.

We collect samples through a pan-India network of authorized service providers comprised of TAGs and TSPs, which operate under franchise agreements with us. As of November 30, 2015, we had a network of 1,122 authorized service providers, comprised of 878 TAGs and 244 TSPs spread across 483 cities and 28 states and union territories. Our wide spread network of authorized service providers has enabled us to expand the reach of the CPL and RPLs, thereby providing us with access to a larger customer base. Our authorized service providers collect samples from local hospitals, laboratories, diagnostic centers, nursing homes, clinics and doctors. Our TSPs are also authorized to draw samples directly from patients referred to them by doctors, from patients that are procured by them or referred to them by us or our direct sales associates and from patients' homes, as part of our home collection services. Authorized service providers also receive samples through our OLC, which allows persons or organizations with sample collection capabilities to outsource the processing of samples by placing an order at <https://www.thyrocare.com/wellness/> and delivering samples to the nearest authorized service provider. Authorized service providers either deliver samples directly to one of the RPLs or, if the sample is to be processed at the CPL, to one of our 27 hub locations, where samples are aggregated and transported directly to the CPL.

Through NHL, we are developing a growing network of molecular imaging centers, which focuses primarily on early and effective cancer monitoring. Each of our imaging centers use PET-CT scanners to assist in cancer diagnosis, staging, monitoring of treatment, and efficacy and evaluation of disease recurrence. We currently have five operating PET-CT scanners in our three imaging centers: two in Navi Mumbai, two in New Delhi and one in Hyderabad, and intend to open imaging centers in both Kolkata and Raipur. NHL also owns and operates a medical cyclotron unit in Navi Mumbai, which produces the radioactive bio-marker FDG required for PET-CT scanning, which it acquired from the Company in March 2015 on a going concern basis, pursuant to a Slump Sale Agreement. For further details, see the section entitled "*History and Certain Corporate Matters*" on page 147. The cyclotron unit generates FDG used by our PET-CT scanners in Navi Mumbai and New Delhi as well by third party PET-CT imaging centers. We currently meet the FDG requirements for our Hyderabad PET-CT scanners from third parties in Hyderabad in order to optimize cost and time efficiencies.

We believe we have developed a platform of affordable diagnostic services and are in a position to further develop our services and enhance our test offerings. As an example, over the last few Fiscal years, we have acquired equipment for the testing of water samples and are operating such equipment under the brand "WHATERS". WHATERS currently conducts the following tests: physical and chemical testing, elements testing, microbiology testing, pesticide testing and volatile organic compounds testing. As another example, through the brand Sugar Scan, we offer a sugar scan blood glucose monitor, which is one of the simplest ways for patients to instantly determine their blood glucose levels at an affordable cost. We are also in the process of setting up TMC, which is intended to be a nation-wide branded metabolic clinic for individuals with chronic illnesses or who plan to undergo a healthcare procedure.

Our performance is highlighted by our operational and financial information provided below:

- Our diagnostic test volumes grew at a CAGR of close to 38% over the past three Fiscals from 25,027,132 tests conducted in Fiscal 2013 to 47,841,710 tests conducted in Fiscal 2015. We conducted 30,317,913 diagnostic tests in the six months ended September 30, 2015.
- The PET-CT scans performed by NHL grew from 34 scans in Fiscal 2013 to 2,348 scans in Fiscal 2014 to 11,173 scans in Fiscal 2015.
- Our standalone revenues from operations, as restated, grew at a CAGR of close to 15.8% over the past three Fiscals from ₹1,342.61 million in Fiscal 2013 to ₹1,800.76 million in Fiscal 2015. Our standalone revenues from operations, as restated, was ₹1,144.14 million, for the six months ended September 30, 2015.
- Our consolidated revenues from operations, as restated, was ₹1,829.58 million in Fiscal 2015 and ₹1,192.60 million, for the six months ended September 30, 2015.

The Company's and NHL's Restated Consolidated Summary Financial Statements, Restated Standalone Summary Financial Statements and the Restated Financial Statements, have been disclosed in the section entitled "*Financial Statements*" on page 176.

## Competitive Strengths

Our key competitive strengths are:

### ***Portfolio of specialized tests with an emphasis on wellness and preventive healthcare***

We offer a wide range of biochemistry based and preventive healthcare related tests, which allows us to cater to the differing needs of our patients. We believe our tests are relevant to various age groups, segments of customers and customer preferences, as our portfolio of tests includes those for prenatal screening, hormonal imbalances, nutritional deficiencies and tracking lifestyle disorders. Moreover, our current portfolio of tests has evolved over the span of our operations. In the early years of our business, we focused on offering tests specific to thyroid testing. We have since expanded our offering to include 192 tests and 54 profiles. The evolution of our test offerings is demonstrative of our ability to successfully develop and grow our product offering.

In recent years, our focus has been on the development of a wide range of tests and profiles in the fast growing segment of wellness and preventive healthcare. According to the CRISIL Research Report, this segment is expected to grow at a CAGR of close to 25% over the next three years. For further details, see the section entitled “*Industry Overview*” on page 98. Under the brand ‘Aarogyam’, our profiles of tests are packaged to appeal to a broad base of customers’ needs. We have engineered our profile offerings to increase the number of tests per sample and therefore increase our average revenue per sample. For example, our most basic profile, Aarogyam 1.1 includes 30 tests, and the most complex, Aarogyam 1.7, includes 86 tests, including those offered under the toxic elements, arthritis, pancreas, electrolytes and vitamin profiles. Our “profile of profiles” package bundles together several profiles of tests including liver, cholesterol, kidney and thyroid profiles. Our revenue derived from our preventive diagnostic and wellness offerings has increased from approximately 41% in Fiscal 2013 to approximately 51% of our standalone revenue, as restated, for Fiscal 2015.

### ***Multi-lab model driving volume growth and economies of scale***

Our multi-lab model is comprised of a fully automated CPL supported by our network of RPLs that conduct routine tests conducive to high volume testing. Where logistically feasible, the authorized service providers direct samples requiring such tests to the RPLs. By routing these tests to the RPLs, the resources of the CPL can be utilised to process and test the additional samples generated by our pan-India network of authorized service providers that are not proximate to a RPL.

Since the opening of the RPLs in 2015, we have seen an increase in the volume of samples processed by our Company. Our laboratories processed approximately 12% more samples in Fiscal 2014 compared with Fiscal 2013. With the opening of the RPLs, we processed approximately 30% more samples in Fiscal 2015 compared with Fiscal 2014. We believe our higher rate of volume growth in Fiscal 2015 was partly on account of our RPL network.

The table below sets forth the samples processed, average samples processed per day, tests conducted and average tests conducted per day at our CPL and RPLs for the periods indicated.

|                                          | Six months ended<br>September 30, 2015 <sup>(1)</sup> | Fiscal 2015 <sup>(1)</sup> | Fiscal 2014 | Fiscal 2013 |
|------------------------------------------|-------------------------------------------------------|----------------------------|-------------|-------------|
| No. of samples processed                 | 5,746,761                                             | 9,093,828                  | 7,012,669   | 6,278,439   |
| No. of tests conducted                   | 30,317,913                                            | 47,841,710                 | 34,897,640  | 25,027,132  |
| Average no. of samples processed per day | 31,403                                                | 24,915                     | 19,213      | 17,201      |
| Average no. of tests conducted per day   | 165,672                                               | 131,073                    | 95,610      | 68,567      |

(1) Figures for Fiscal 2015 and the six months ended September 30, 2015 include both our CPL and RPLs.

As our network of authorized service providers, RPLs and the number of tests we perform continue to grow, we expect to achieve economies of scale and, accordingly, optimize the cost of samples and tests we process. We endeavor to pass on these cost efficiencies to our customers thereby offering tests at affordable rates. Offering

tests at competitive prices is conducive to the expansion of our customer base, which may in turn increase the number of samples and tests we process.

### ***Pan-India collection network supported by logistics capabilities and information technology infrastructure***

We have built a nation-wide network of authorized service providers that source samples for processing and testing by the RPLs and CPL. As of November 30, 2015, we had a network of 1,122 authorized service providers, comprised of 878 TAGs and 244 TSPs spread across 483 cities and 28 states and union territories. Our authorized service providers have helped us penetrate the Indian market and increase the volume of samples we process, as they collect samples from hospitals, clinics and potential patients located across India.

Our network of authorized service providers is further complemented through the recent addition of RPLs which enables authorized service providers to deliver samples to the closest RPL rather than only to the CPL. In order to optimize the logistics costs, we established RPLs in regions with close proximity to rail or roads network. All samples that require routine tests and that are drawn by the authorized service providers within a particular distance from the RPLs are transported to the RPLs by means of rail or road networks. If the location of the authorized service provider is such that it is not feasible to send the samples to a RPL, or the sample requires non-routine tests, the authorized service providers send these tests to the CPL via air cargo, rail or road networks and/or courier services. RPLs have thereby assisted us in optimizing our logistics costs. Additionally, the time involved in delivering the samples to the RPLs is less than that required to deliver samples to the CPL, thereby enabling us to provide tests results to our patients relatively faster.

Our information technology infrastructure supports the authorized service providers' network. For example, through OLC, any person or organization with sample collection capabilities can outsource the processing of samples to us by placing an order at <https://www.thyrocare.com/wellness/> and delivering samples to our nearest authorized service provider to be directed to the CPL or RPLs for processing and testing. The operations of the authorized service providers, RPLs and CPL are seamlessly facilitated on our virtual network through our internally developed software "Charbi" and "Thyrosoft", which was developed by third party software developers. Authorized service providers enter work order data on Charbi, which is accessed by the CPL through Charbi, or by the relevant RPL through Thyrosoft for local processing. Once received, the tests results are uploaded onto Charbi, which can be accessed by authorized service providers. Test results are also made available to our authorized service providers on our website, at <https://www.thyrocare.com/wellness/>.

We are continuously developing relationships with authorized service providers in order to increase our pan-India reach and market penetration.

### ***Capital efficiencies in our diagnostic testing business***

Our test volumes and strong relationships with our vendors has allowed us to develop an equipment leasing model for the CPL that results in minimal capital expenditures for diagnostic equipment. Through this model, equipment and instruments used in the CPL are generally leased from vendors in exchange for a commitment to purchase reagents and consumables from these vendors for a specified period of time. Our reagent and consumable costs are then expensed as costs of materials consumed. We benefit financially from this model as it minimizes the capital costs typically associated with diagnostic equipment as we are not required to expend capital immediately to procure the necessary instruments and equipment.

As the RPLs conduct relatively routine tests, they do not require complex equipment that employs a variety of technologies. The capital outlay to purchase the equipment is therefore minimal in comparison to that required to purchase the equipment in the CPL, and as such, we have purchased the necessary equipment outright. To further minimize the capital costs associated with the establishment of the RPL network, rather than expend capital to purchase the premises the RPLs are located on, we either lease such premises or occupy such premises on a lease and license basis pursuant to a number of lease and license arrangements and have therefore have also saved on this form of expenditure. Due to the minimal capital outlay associated with the RPLs, we have been able to expand our business without incurring substantial capital costs. For example, the capital costs to establish our three RPLs in New Delhi, Coimbatore and Hyderabad in Fiscal 2015 was ₹ 85.77 million and ₹ 24.68 million to establish the RPL in Kolkata.

Our capital efficient model has allowed us to finance our growth in our diagnostic business without reliance on leverage; our Company currently has no borrowings and thus no interest rate exposure.

### ***Experienced senior leadership and management team***

Our management's credible reputation, extensive industry experience and business acumen has helped us drive our growth and operating performance and we believe will continue to do so in the future, as evidenced by the number of initiatives our company has already undertaken and successfully implemented.

The Company is the conceptualization of our Promoter, chairman and managing director, Dr. A. Velumani, who holds a post graduate degree science and a doctorate in philosophy (science). Dr. A. Velumani worked as a scientific officer at the Bhabha Atomic Research Centre for twelve years, where he specialized in immunodiagnosics with a focus on radioimmunoassays. Our co-promoter Mr. A Sundararaju is also our Chief Financial Officer and plays a vital role in creating and managing our service provider network as a result of his eighteen years of experience in finance, legal and administrative activities. Through their experience with the Company, our management team has honed the skills necessary to navigate the fast-growing Indian diagnostic healthcare services sector. For further details, see the section entitled "*Our Management*" on page 151.

### ***Our Strategy***

Our business strategy is set forth below.

#### ***Continue to grow our wellness and preventive offerings and expand our product offering***

We shall continue to focus on growth of our wellness and preventive offerings and expansion of our test offering.

According to the CRISIL Research Report, the Indian population's awareness of the need to take wellness and preventive actions to identify pre-existing diseases or likely risks from particular chronic diseases is on the rise. Additionally, India has a young population, a growing middle class population and is facing a growing burden of non-communicable diseases. As a result of these factors, we expect the contribution from our wellness and preventive test and profile offering to continue to grow. According to the CRISIL Research Report, this segment is expected to grow at a CAGR of close to 25% over the next three years. For further details, see the section entitled "*Industry Overview*" on page 98. The proportion of our standalone revenue derived from our preventive diagnostic and wellness offerings is reflective of the growing interest in preventive and wellness testing, having increased from approximately 41% in Fiscal 2013 to approximately 51% of our standalone revenue, as restated, in Fiscal 2015.

As we recognize the growth opportunity in this segment and are well positioned to leverage our expertise and brand, we are focusing a significant proportion of our marketing efforts on preventive diagnostic and wellness offerings. We have set up an in-house marketing team and a network development team, and are expanding our call center operations to directly market our wellness and preventive offerings to referring doctors and individual customers. We also routinely set-up health camps to spread awareness of lifestyle diseases and the benefits of undergoing preventive health checks, which has enhanced the brand equity of the Aarogyam brand among customers.

We intend to expand our diagnostics test offerings through the acquisition of new technologies, including both instruments and processes. We are currently focusing our efforts on new test offerings based on the clinical application of mass spectrometry. For instance, in May of 2015, we commenced providing testing services for water samples through newly acquired equipment which we are operating under the brand "WHATERS". The tests that WHATERS currently conducts include: physical and chemical testing, elements testing, microbiology testing, pesticide testing and volatile organic compounds testing.

#### ***Continue to grow the network of RPLs and authorized service providers***

We intend to strengthen and grow our coverage of regions across India through our network of RPLs and authorized service providers. By expanding this network, we plan to simultaneously increase our customer base, generate higher volumes of samples for processing, improve our turnaround time and optimize our logistics costs.

We commenced setting up RPLs in 2014, and opened four RPLs in 2015, one in each of New Delhi, Coimbatore, Hyderabad and Kolkata. We believe the addition of the RPLs to our network has made an

important contribution to our volume growth of samples and tests. We are in the advanced stages of setting up a RPL in Bhopal and are in the planning phase of setting up a RPL in Bengaluru. We will continue to explore growth opportunities in India through the opening of additional RPLs in locations conducive to both time and cost efficiencies. We plan on targeted expansion by continuing to open RPLs in locations in close proximity to rail or road networks and in markets that are expected to generate high volumes of samples. We expect that our relationships with the vendors will enable us to source cost-efficient equipment for these RPLs, thereby enabling us to maintain our competitive pricing.

In order to sustain our future growth and client base, we are also focused on increasing the number and quality of the authorized service providers in the upcoming Fiscals. We intend to develop long-term relationships with authorized service providers with the goal of maintaining consistency of quality of services across our network and reducing churn.

We intend to use the expanded network of RPLs and authorized service providers to bolster brand visibility and increase the accessibility of our services.

***Continue to develop our NHL business to provide affordable PET-CT scanning***

We are developing a network of molecular imaging centers (radiology) for cancer diagnosis through NHL. We currently have three imaging centers operating five PET-CT scanners: two in Navi Mumbai, two in New Delhi and one in Hyderabad and plan to expand our PET-CT scanning operations to other the major cities in India. For example, we intend to open molecular imaging centers in both Kolkata and Raipur. We believe having backward integration with our own cyclotron provides us with greater flexibility, reliability and cost effectiveness as we expand our operations. While the PET-CT scanners are currently owned by NHL, in order to further expand the business and increase capital efficiencies, we intend to deploy a franchisee model, whereby the PET-CT scanners will be owned by the franchisee and revenue will be shared between NHL and the franchisee. We are currently in the process of setting up such an arrangement with a party in Raipur.

PET-CT scanning is becoming increasingly relevant in India as instances of cancer have grown over the last decade. According to the CRISIL Research Report, cancers comprised approximately 5% of DALYs of the Indian population in 2012, as compared to approximately 3% of DALYs of the Indian population in 2000. It is expected that the use of accurate diagnosis technology, such as PET-CT scans, will help improve early detection of cancers. For further details, see the section entitled “*Industry Overview*” on page 98. The number of scans conducted by NHL has grown by close to 376% from Fiscal 2014 to Fiscal 2015. The table below sets forth the number of scans conducted by NHL in Fiscal 2015, 2014 and 2013 and the six months ended September 30, 2015.

|                           | Six months ended<br>September 30, 2015 | Fiscal 2015 | Fiscal 2014 | Fiscal 2013 |
|---------------------------|----------------------------------------|-------------|-------------|-------------|
| No. of scans<br>conducted | 7,897                                  | 11,173      | 2,348       | 34          |

A major factor discouraging the use of these diagnostic procedures is its high cost. Therefore, the ability of diagnostic service providers to offer diagnostic procedures at competitive rates will be a key determinant in the growth of this segment. For further details, see the section entitled “*Industry Overview*” on page 98. Accordingly, to take advantage of the expected increase in requirement for PET-CT scanning services, we plan to offer PET-CT scanning at competitive prices, thereby growing our referring doctor and hospital customer base, which is expected to drive our scanning volumes.

***Expand our service platform by developing new channels that leverage the strength of our brand and network***

We plan to increase the breadth of our testing and services platform through new channels that leverage our brand, multi-lab model and pan-India network of service providers.

We have recently introduced an OLC system. Through this system, laboratories, diagnostic centers, doctors, clinics, nursing homes, hospitals, medical representatives or any other person or organization with sample collection capabilities can outsource the processing of samples to us by placing an order at <https://www.thyrocare.com/wellness/> and delivering samples to the nearest authorized service providers to be

directed to CPL or RPL for processing. Test reports are made available online at <https://www.thyrocare.com/wellness/>.

We are in the process of establishing TMC, which is intended to be a nation-wide branded metabolic clinic for individuals with chronic illnesses or who plan to undergo a healthcare procedure. TMC will provide doctors and other healthcare professionals with a platform to deliver their expertise to potential patients. Expertise will include radiology, imaging and pathology services. Additionally, TMC proposes to establish corporate relationships with insurance providers, helping patients streamline hospitalization expense claims to such insurance providers. In the next three years, we intend to develop clinics in various locations across India, and are currently planning to open TMCs in Mumbai and New Delhi. As another example, through the brand Sugar Scan, we offer a sugar scan blood glucose monitor, which is one of the simplest ways for patients to instantly determine their blood glucose levels at an affordable cost.

## SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from:

- a. The Restated Consolidated Financial Statements of our Company, prepared in accordance with Indian GAAP and the Companies Act, 1956 and 2013 as applicable and restated in accordance with the SEBI Regulations as at/ for the six months ended 30 September 2015 and as at/ for the fiscal year ended 31 March 2015; and
- b. The Restated Standalone Financial Statements of our Company, prepared in accordance with Indian GAAP and the Companies Act, 1956 and 2013 as applicable and restated in accordance with the SEBI Regulations as at/ for the six months ended 30 September 2015 and as at/ for the fiscal year ended 31 March 2015, 2014, 2013, 2012 and 2011.

The Restated Financial Statements referred to above are presented under the section entitled “Financial Statements” on page 176. The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto and the sections entitled “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 176 and 294, respectively.

### Restated Consolidated Summary Statement of Assets and Liabilities

(Rs. in millions)

| PARTICULARS                    | As at Sept 30, 2015 | As at March 31, 2015 |
|--------------------------------|---------------------|----------------------|
| <b>EQUITY AND LIABILITIES</b>  |                     |                      |
| <b>Shareholders’ Fund</b>      |                     |                      |
| Share capital                  | 505.36              | 505.36               |
| Reserve and surplus            | 2,093.07            | 2,241.32             |
|                                | <b>2,598.43</b>     | <b>2,746.68</b>      |
| <b>Minority Interest</b>       | 347.31              | 360.11               |
| <b>Non-current liabilities</b> |                     |                      |
| Other long term liabilities    | 58.56               | 63.78                |
| Long-term provisions           | 55.25               | 57.02                |
|                                | <b>113.81</b>       | <b>120.80</b>        |
| <b>Current liabilities</b>     |                     |                      |
| Trade payables                 | 24.58               | 8.37                 |
| Other current liabilities      | 74.00               | 48.21                |
| Short-term provisions          | 263.37              | 11.51                |
|                                | <b>361.95</b>       | <b>68.09</b>         |
| <b>TOTAL</b>                   | <b>3,421.50</b>     | <b>3,295.68</b>      |
| <b>ASSETS</b>                  |                     |                      |
| <b>Non-current assets</b>      |                     |                      |
| <b>Fixed assets</b>            |                     |                      |
| Tangible assets                | 1,526.08            | 1,495.94             |
| Intangible assets              | 9.19                | 10.73                |
| Capital work-in-progress       | 32.95               | 55.53                |
| Goodwill on consolidation      | 453.43              | 453.43               |
| Non current investments        | 16.15               | 16.15                |
| Deferred tax assets (net)      | 16.76               | 13.24                |
| Long-term loans and advances   | 96.81               | 143.94               |
|                                | <b>2,151.37</b>     | <b>2,188.96</b>      |
| <b>Current assets</b>          |                     |                      |
| Current investments            | 608.33              | 843.01               |
| Inventories                    | 78.57               | 73.66                |
| Trade receivables              | 61.48               | 49.12                |
| Cash and bank balances         | 149.30              | 50.75                |
| Short-term loans and advances  | 183.85              | 89.97                |



| <b>PARTICULARS</b>   | <b>As at Sept 30, 2015</b> | <b>As at March 31, 2015</b> |
|----------------------|----------------------------|-----------------------------|
| Other current assets | 188.60                     | 0.21                        |
|                      | <b>1,270.13</b>            | <b>1,106.72</b>             |
| <b>TOTAL</b>         | <b>3,421.50</b>            | <b>3,295.68</b>             |

Note: The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in “*Financial Statements*” on page 176.

# Restated Consolidated Summary Statement of Profit & Loss

(Rs. in millions)

| PARTICULARS                                       | For the six months ended Sept 30, 2015 | As at March 31, 2015 |
|---------------------------------------------------|----------------------------------------|----------------------|
| <b>Revenue</b>                                    |                                        |                      |
| Revenue from operations                           | 1,192.60                               | 1,829.58             |
| Other income                                      | 33.57                                  | 73.80                |
| <b>Total Revenue</b>                              | <b>1,226.17</b>                        | <b>1,903.38</b>      |
| <b>Expenses</b>                                   |                                        |                      |
| Cost of materials consumed                        | 320.67                                 | 492.62               |
| Purchase of stock in Trade                        | 29.40                                  | 66.70                |
| Change in inventories of stock in trade           | 4.05                                   | (1.04)               |
| Employee benefits expense                         | 106.97                                 | 177.78               |
| Depreciation and amortisation                     | 85.86                                  | 128.65               |
| Other expenses                                    | 238.25                                 | 373.28               |
| <b>Total Expenses</b>                             | <b>785.19</b>                          | <b>1237.99</b>       |
| <b>Profit before tax</b>                          | <b>440.98</b>                          | <b>665.39</b>        |
| <b>Tax expenses:</b>                              |                                        |                      |
| Current tax                                       | 157.00                                 | 250.00               |
| Deferred tax (credit)                             | (3.51)                                 | (19.32)              |
|                                                   | <b>153.49</b>                          | <b>230.68</b>        |
| <b>Profit after tax, as restated</b>              | <b>287.50</b>                          | <b>434.71</b>        |
| Profit attributable to minority shareholders      | (12.80)                                | (11.79)              |
| <b>Net retained profit after tax, as restated</b> | <b>300.29</b>                          | <b>446.50</b>        |

Note: The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in “Financial Statements” on page 176.

## Restated Consolidated Summary Statement of Cash Flow

(Rs. in millions)

| PARTICULARS                                                          | For the six months ended<br>Sept 30, 2015 | For the year ended March<br>31, 2015 |
|----------------------------------------------------------------------|-------------------------------------------|--------------------------------------|
| <b>Cash Flow from Operating Activities</b>                           |                                           |                                      |
| Net profit before tax                                                | 440.98                                    | 665.39                               |
| Adjustments for:-                                                    |                                           |                                      |
| Depreciation and amortisation                                        | 85.86                                     | 128.65                               |
| Interest income                                                      | (0.15)                                    | (3.40)                               |
| Provision for diminution in value of investment                      | 1.31                                      | 2.40                                 |
| (Profit) on sale of current investments in mutual funds (net)        | (11.08)                                   | (6.93)                               |
| Net loss on foreign exchange fluctuation                             | -                                         | 0.22                                 |
| Employee stock compensation expense                                  | 7.64                                      | 8.18                                 |
| Provision for claims                                                 | 0.84                                      | 1.67                                 |
| (Profit)/loss on sale of fixed assets (net)                          | (0.44)                                    | 0.17                                 |
| Dividend income from current investments                             | (13.94)                                   | (55.20)                              |
| <b>Operating cash flow before working capital changes</b>            | <b>511.02</b>                             | <b>741.15</b>                        |
| Adjustments for working capital changes:-                            |                                           |                                      |
| (Increase) in inventories                                            | (4.91)                                    | (10.51)                              |
| (Increase)/decrease in trade receivables                             | (12.36)                                   | 0.01                                 |
| (Increase) in short term loans and advances                          | (93.88)                                   | (47.43)                              |
| Decrease/ (Increase) in long term loans and advances                 | 44.32                                     | (101.80)                             |
| Increase/ (decrease) in long term and short term provisions          | (0.16)                                    | 18.20                                |
| Increase/ (decrease) in other current and non current liabilities    | 20.57                                     | (18.76)                              |
| Increase/ (decrease) in trade payables                               | 16.21                                     | (8.32)                               |
| Cash generated from operations                                       | 480.81                                    | 572.54                               |
| Income taxes paid                                                    | (132.86)                                  | (227.86)                             |
| <b>Net cash generated from Operating Activities (A)</b>              | <b>347.95</b>                             | <b>344.68</b>                        |
| <b>Cash Flow from Investing Activities</b>                           |                                           |                                      |
| Purchase of fixed assets, capital working in progress                | (92.50)                                   | (99.95)                              |
| Proceeds from sale of fixed assets                                   | 1.04                                      | 0.76                                 |
| Purchase of current investments                                      | (599.96)                                  | (1,270.00)                           |
| Proceeds from sale of current investments                            | 665.76                                    | 1,773.10                             |
| Payment on acquisition of subsidiary (net)                           | -                                         | (591.49)                             |
| Dividend income from mutual funds                                    | 4.10                                      | 7.77                                 |
| Bank deposits (having original maturity of more than 3 months)       | (0.50)                                    | 0.42                                 |
| Loans given                                                          | -                                         | (0.34)                               |
| Interest received                                                    | 0.25                                      | 0.05                                 |
| <b>Net cash (used in) Investing Activities (B)</b>                   | <b>(21.81)</b>                            | <b>(179.68)</b>                      |
| <b>Cash Flow from Financing Activities</b>                           |                                           |                                      |
| Issue of share capital (including securities premium)                | -                                         | 0.34                                 |
| Dividend paid including taxes                                        | (228.09)                                  | (228.78)                             |
| <b>Net cash used in Financing Activities (C)</b>                     | <b>(228.09)</b>                           | <b>(228.44)</b>                      |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>  | <b>98.05</b>                              | <b>(63.44)</b>                       |
| <b>Cash and cash equivalents at the beginning of the period/year</b> | <b>50.75</b>                              | <b>114.20</b>                        |
| <b>Cash and cash equivalents at the end of the period/year</b>       | <b>148.80</b>                             | <b>50.76</b>                         |

Note: The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in “Financial Statements” on page 176.

# Restated Standalone Summary Statement of Assets and Liabilities

(Rs. in millions)

| PARTICULARS                    | As at Sept<br>30, 2015 | As at March 31, |                 |                 |                 |                 |
|--------------------------------|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                |                        | 2015            | 2014            | 2013            | 2012            | 2011            |
| <b>EQUITY AND LIABILITIES</b>  |                        |                 |                 |                 |                 |                 |
| <b>Shareholders' Fund</b>      |                        |                 |                 |                 |                 |                 |
| Share capital                  | 505.36                 | 505.36          | 109.18          | 109.18          | 108.09          | 108.09          |
| Reserve and surplus            | 2,140.14               | 2,283.83        | 1,953.45        | 1,491.89        | 916.67          | 567.24          |
|                                | <b>2,645.50</b>        | <b>2,789.19</b> | <b>2,062.63</b> | <b>1,601.07</b> | <b>1,024.76</b> | <b>675.33</b>   |
| <b>Non-current liabilities</b> |                        |                 |                 |                 |                 |                 |
| Long-term borrowings           | -                      | -               | 250.00          | 250.00          | 250.00          | 250.00          |
| Other long term liabilities    | 53.28                  | 55.98           | 59.12           | 64.09           | 52.81           | 32.34           |
| Deferred tax liability (net)   | -                      | -               | 6.09            | 0.72            | -               | -               |
| Long-term provisions           | 31.62                  | 32.93           | 15.39           | 9.77            | 8.85            | 6.53            |
|                                | <b>84.90</b>           | <b>88.91</b>    | <b>330.60</b>   | <b>324.58</b>   | <b>311.66</b>   | <b>288.87</b>   |
| <b>Current liabilities</b>     |                        |                 |                 |                 |                 |                 |
| Trade payables                 | 27.71                  | 8.20            | 15.14           | 2.06            | 5.56            | 35.39           |
| Other current liabilities      | 61.65                  | 40.88           | 44.64           | 26.99           | 18.94           | 7.23            |
| Short-term provisions          | 262.70                 | 16.53           | 4.30            | 10.65           | 9.85            | 2.62            |
|                                | <b>352.06</b>          | <b>65.61</b>    | <b>64.08</b>    | <b>39.70</b>    | <b>34.35</b>    | <b>45.24</b>    |
| <b>TOTAL</b>                   | <b>3,082.46</b>        | <b>2,943.71</b> | <b>2,457.31</b> | <b>1,965.35</b> | <b>1,370.77</b> | <b>1,009.44</b> |
| <b>ASSETS</b>                  |                        |                 |                 |                 |                 |                 |
| <b>Non-current assets</b>      |                        |                 |                 |                 |                 |                 |
| <b>Fixed assets</b>            |                        |                 |                 |                 |                 |                 |
| Tangible assets                | 895.37                 | 834.19          | 864.68          | 742.20          | 190.50          | 162.17          |
| Intangible assets              | 9.19                   | 10.76           | 8.59            | 7.93            | 5.84            | 1.86            |
| Capital work-in-progress       | 32.29                  | 54.97           | 64.34           | 104.61          | -               | -               |
| Non current investments        | 987.65                 | 987.65          | 176.15          | 176.15          | 240.00          | 240.00          |
| Deferred tax assets (net)      | 16.76                  | 12.22           | -               | -               | 2.69            | 1.19            |
| Long-term loans and advances   | 51.40                  | 54.34           | 56.05           | 53.94           | 33.93           | 44.55           |
|                                | <b>1,992.66</b>        | <b>1,954.13</b> | <b>1,169.81</b> | <b>1084.83</b>  | <b>472.96</b>   | <b>449.77</b>   |
| <b>Current assets</b>          |                        |                 |                 |                 |                 |                 |
| Current investments            | 392.38                 | 636.95          | 1,013.92        | 596.03          | -               | -               |
| Inventories                    | 72.99                  | 70.53           | 62.95           | 52.45           | 50.97           | 40.02           |
| Trade receivables              | 58.31                  | 46.44           | 49.06           | 33.33           | 34.33           | 29.57           |
| Cash and bank balances         | 138.15                 | 42.85           | 119.02          | 175.30          | 590.31          | 400.41          |
| Short-term loans and advances  | 130.66                 | 86.81           | 42.55           | 22.41           | 219.06          | 78.61           |
| Other current assets           | 297.31                 | 106.00          | -               | 1.00            | 3.14            | 11.06           |
|                                | <b>1,089.80</b>        | <b>989.58</b>   | <b>1,287.50</b> | <b>880.52</b>   | <b>897.81</b>   | <b>559.67</b>   |
| <b>TOTAL</b>                   | <b>3,082.46</b>        | <b>2,943.71</b> | <b>2,457.31</b> | <b>1,965.35</b> | <b>1,370.77</b> | <b>1,009.44</b> |

Note: The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in "Financial Statements" on page 176.

# Restated Standalone Summary Statement of Profit & Loss

(Rs. in millions)

| PARTICULARS                                          | For the six months ended Sept 30, 2015 | For the year ended March 31, |                 |                 |                 |               |
|------------------------------------------------------|----------------------------------------|------------------------------|-----------------|-----------------|-----------------|---------------|
|                                                      |                                        | 2015                         | 2014            | 2013            | 2012            | 2011          |
| <b>Revenue</b>                                       |                                        |                              |                 |                 |                 |               |
| Revenue from operations                              | 1,144.14                               | 1,800.76                     | 1,499.78        | 1,342.61        | 1,090.76        | 778.65        |
| Other income                                         | 26.18                                  | 69.70                        | 65.77           | 57.25           | 51.09           | 33.42         |
| <b>Total Revenue</b>                                 | <b>1,170.32</b>                        | <b>1,870.46</b>              | <b>1,565.55</b> | <b>1,399.86</b> | <b>1,141.85</b> | <b>812.07</b> |
| <b>Expenses</b>                                      |                                        |                              |                 |                 |                 |               |
| Cost of materials consumed                           | 307.46                                 | 486.56                       | 362.10          | 296.73          | 238.00          | 187.27        |
| Purchase of stock in Trade                           | 29.40                                  | 66.70                        | 63.96           | 59.60           | 49.06           | 52.29         |
| Change in inventories of stock in trade              | 4.05                                   | (1.03)                       | (0.96)          | (0.42)          | 3.61            | (5.18)        |
| Employee benefits expense                            | 99.97                                  | 172.61                       | 120.88          | 90.28           | 71.20           | 53.08         |
| Depreciation and amortisation                        | 51.60                                  | 107.09                       | 63.62           | 33.15           | 20.91           | 13.09         |
| Other expenses                                       | 220.51                                 | 343.11                       | 267.00          | 261.78          | 238.94          | 135.25        |
| <b>Total Expenses</b>                                | <b>712.99</b>                          | <b>1175.04</b>               | <b>876.60</b>   | <b>741.12</b>   | <b>621.72</b>   | <b>435.80</b> |
| <b>Profit before exceptional items and tax</b>       | <b>457.33</b>                          | <b>695.42</b>                | <b>688.95</b>   | <b>658.74</b>   | <b>520.13</b>   | <b>376.27</b> |
| <b>Exceptional items</b>                             |                                        |                              |                 |                 |                 |               |
| Gains on sale of non current investment              | -                                      | -                            | -               | 120.00          | -               | -             |
| Profit on sale of cyclotron division                 | -                                      | 20.77                        | -               | -               | -               | -             |
| <b>Profit after exceptional items and before tax</b> | <b>457.33</b>                          | <b>716.19</b>                | <b>688.95</b>   | <b>778.74</b>   | <b>520.13</b>   | <b>376.27</b> |
| Tax expense:                                         |                                        |                              |                 |                 |                 |               |
| Current tax                                          | 157.00                                 | 250.00                       | 222.03          | 207.13          | 172.20          | 132.87        |
| Deferred tax charge/ (benefit)                       | (4.54)                                 | (18.31)                      | 5.36            | 3.42            | (1.50)          | (4.85)        |
|                                                      | <b>152.46</b>                          | <b>231.69</b>                | <b>227.39</b>   | <b>210.55</b>   | <b>170.70</b>   | <b>128.02</b> |
| <b>Net profit after tax, as restated</b>             | <b>304.87</b>                          | <b>484.50</b>                | <b>461.56</b>   | <b>568.19</b>   | <b>349.43</b>   | <b>248.25</b> |

Note: The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in “Financial Statements” on page 176.

# Restated Standalone Summary Statement of Cash Flow

(Rs. in millions)

| PARTICULARS                                                                | For the six months ended Sept 30, 2015 | For the year ended March 31, |               |               |               |               |
|----------------------------------------------------------------------------|----------------------------------------|------------------------------|---------------|---------------|---------------|---------------|
|                                                                            |                                        | 2015                         | 2014          | 2013          | 2012          | 2011          |
| <b>Cash Flow from Operating Activities</b>                                 |                                        |                              |               |               |               |               |
| <b>Net profit before tax</b>                                               | <b>457.33</b>                          | <b>716.19</b>                | <b>688.95</b> | <b>778.74</b> | <b>520.13</b> | <b>376.27</b> |
| Adjustments for:-                                                          |                                        |                              |               |               |               |               |
| Depreciation and amortisation                                              | 51.60                                  | 107.09                       | 63.62         | 33.15         | 20.91         | 13.09         |
| Deferred revenue expenditure                                               | -                                      | -                            | -             | -             | -             | 0.06          |
| Interest income                                                            | (0.01)                                 | (3.30)                       | (6.98)        | (37.83)       | (44.24)       | (18.44)       |
| Provision for diminution in value of investment                            | 1.04                                   | 2.40                         | -             | -             | -             | -             |
| (Profit) on sale of current investments in mutual funds (net)              | (5.54)                                 | (6.93)                       | (10.13)       | (7.25)        | -             | -             |
| Unrealised loss on foreign exchange fluctuation                            | 1.09                                   | 0.22                         | -             | -             | -             | -             |
| Advances written back                                                      | -                                      | (10.03)                      | -             | -             | -             | -             |
| (Profit) on disposal of assets under slump sale arrangement                | -                                      | (20.77)                      | -             | -             | -             | -             |
| Employee stock compensation expense                                        | 7.64                                   | 8.18                         | -             | -             | -             | -             |
| Provision for wealth tax                                                   | -                                      | 0.06                         | -             | -             | -             | -             |
| Interest paid                                                              | -                                      | 0.74                         | -             | -             | -             | -             |
| (Profit)/loss on sale of non current investment                            | -                                      | -                            | -             | (120.00)      | -             | -             |
| (Profit)/loss on sale of fixed assets (net)                                | (0.44)                                 | 0.17                         | (0.42)        | (0.40)        | 0.31          | (5.78)        |
| Excess provision written back                                              | (2.09)                                 | -                            | -             | -             | -             | (1.50)        |
| Dividend income from current investments                                   | (9.33)                                 | (51.21)                      | (27.16)       | (4.45)        | -             | -             |
| <b>Operating cash flow before working capital changes</b>                  | <b>501.29</b>                          | <b>742.81</b>                | <b>707.88</b> | <b>641.96</b> | <b>497.11</b> | <b>363.70</b> |
| Adjustments for working capital changes:-                                  |                                        |                              |               |               |               |               |
| (Increase)/decrease in inventories                                         | (2.46)                                 | (7.58)                       | (10.50)       | (1.49)        | (10.95)       | (15.17)       |
| (Increase)/decrease in trade receivables                                   | (12.91)                                | 2.60                         | (15.73)       | 1.01          | (4.77)        | (10.24)       |
| (Increase)/decrease in loans and advances                                  | (47.99)                                | (49.93)                      | (19.40)       | 29.21         | 39.16         | 95.48         |
| (Increase)/decrease in other current assets                                | -                                      | -                            | -             | -             | 8.91          | -             |
| Increase/ (decrease) in other liabilities                                  | 17.50                                  | 6.74                         | 12.68         | 19.33         | 31.20         | 2.03          |
| Increase/ (decrease) in provisions                                         | 2.02                                   | 20.33                        | 5.67          | 1.36          | 3.00          | 1.65          |
| Increase/ (decrease) in trade payables                                     | 19.49                                  | (6.94)                       | 13.08         | (3.51)        | (29.83)       | 7.09          |
| Cash generated from operations                                             | 476.94                                 | 708.03                       | 693.68        | 687.87        | 533.83        | 444.54        |
| Income taxes paid                                                          | (138.27)                               | (228.25)                     | (231.28)      | (228.64)      | (168.20)      | (136.77)      |
| <b>Net cash generated from Operating Activities (A)</b>                    | <b>338.67</b>                          | <b>479.78</b>                | <b>462.40</b> | <b>459.23</b> | <b>365.63</b> | <b>307.77</b> |
| <b>Cash Flow from Investing Activities</b>                                 |                                        |                              |               |               |               |               |
| Purchase of fixed assets, capital working in progress and capital advances | (92.48)                                | (156.29)                     | (146.99)      | (687.98)      | (53.55)       | (47.70)       |
| Proceeds from sale of fixed assets                                         | 0.60                                   | 0.76                         | 0.93          | 0.71          | -             | 29.40         |

| PARTICULARS                                                          | For the six months ended Sept 30, 2015 | For the year ended March 31, |                 |                 |                 |                 |
|----------------------------------------------------------------------|----------------------------------------|------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                                                      |                                        | 2015                         | 2014            | 2013            | 2012            | 2011            |
| Purchase of short-term investments                                   | (543.13)                               | (1,176.53)                   | (3,070.64)      | (919.65)        | -               | -               |
| Sales proceeds of short-term investments                             | 603.77                                 | 1,602.31                     | 2,679.91        | 330.87          | -               | -               |
| Purchases of long-term investments                                   | -                                      | (600.00)                     | -               | (16.15)         | -               | (240.00)        |
| Sales proceeds of long-term investments                              | -                                      | -                            | -               | 200.00          | -               | -               |
| Long terms loans (given)/repaid                                      | -                                      | (0.34)                       | -               | 165.42          | (165.42)        | -               |
| Dividend income from mutual funds                                    | 9.33                                   | 6.93                         | 10.13           | 4.45            | -               | -               |
| Bank deposits (having original maturity of more than 3 months)       | (0.50)                                 | 0.42                         | (0.45)          | (0.37)          | (4.00)          | 2.80            |
| Interest received                                                    | 0.01                                   | 0.05                         | 7.98            | 39.98           | 43.24           | 16.30           |
| <b>Net cash (used in)/ generated from Investing Activities (B)</b>   | <b>(22.40)</b>                         | <b>(322.69)</b>              | <b>(519.13)</b> | <b>(882.72)</b> | <b>(179.73)</b> | <b>(239.20)</b> |
| <b><u>Cash Flow from Financing Activities</u></b>                    |                                        |                              |                 |                 |                 |                 |
| Increase/ (decrease) in unsecured loans                              | -                                      | -                            | -               | -               | -               | 250.00          |
| Issue of share capital (including securities premium)                | -                                      | 0.34                         | -               | 8.11            | -               | -               |
| Dividend paid on equity shares                                       | (189.51)                               | (189.89)                     | -               | -               | -               | -               |
| Tax paid on dividend                                                 | (31.96)                                | (38.89)                      | -               | -               | -               | -               |
| <b>Net cash (used in)/generated from Financing Activities (C)</b>    | <b>(221.47)</b>                        | <b>(228.44)</b>              | <b>-</b>        | <b>8.11</b>     | <b>-</b>        | <b>250.00</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>  | <b>94.80</b>                           | <b>(71.35)</b>               | <b>(56.73)</b>  | <b>(415.38)</b> | <b>185.90</b>   | <b>318.57</b>   |
| <b>Cash and cash equivalents at the beginning of the period/year</b> | <b>42.85</b>                           | <b>114.20</b>                | <b>170.93</b>   | <b>586.31</b>   | <b>400.41</b>   | <b>81.84</b>    |
| <b>Cash and cash equivalents at the end of the period/year</b>       | <b>137.65</b>                          | <b>42.85</b>                 | <b>114.20</b>   | <b>170.93</b>   | <b>586.31</b>   | <b>400.41</b>   |

Note: The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in “Financial Statements” on page 176.

#### Statutory Auditor Qualifications and Emphasis of matter

Our Statutory Auditor has not included any qualification or emphasis of matter with respect to matters specified in the Companies (Auditor Report) Order, 2013, as amended, in the annexure to its report on our consolidated Restated Financial Statements as of/ for the six months ended 30 September 2015 and as of/ for the year ended 31 March 2015 and standalone Restated Financial Statements as of/ for the six months ended 30 September 2015 and as of/ for the years ended 31 March 2015, 2014, 2013, 2012 and 2011.

## THE OFFER

|                                                                                                                             |                                                             |
|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| Offer for Sale of Equity Shares <sup>(1)</sup>                                                                              | Up to 10,744,708 Equity Shares aggregating to ₹ [●] million |
| <i>of which:</i>                                                                                                            |                                                             |
| Offer for sale by Agalia <sup>(2)</sup>                                                                                     | Up to 10,207,472 Equity Shares                              |
| Offer for sale by A. Velumani HUF <sup>(3)</sup>                                                                            | Up to 180,000 Equity Shares                                 |
| Offer for sale by A. Sundararaju HUF <sup>(4)</sup>                                                                         | Up to 180,000 Equity Shares                                 |
| Offer for sale by Anand Velumani <sup>(5)</sup>                                                                             | Up to 177,236 Equity Shares                                 |
| <i>The Offer consists of:</i>                                                                                               |                                                             |
| A) QIB Portion <sup>(6)(7)</sup>                                                                                            | Not more than 5,372,353 Equity Shares                       |
| <i>Of which</i>                                                                                                             |                                                             |
| Anchor Investor Portion                                                                                                     | Not more than 3,223,411 Equity Shares                       |
| Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed) | 2,148,942 Equity Shares                                     |
| <i>Of which</i>                                                                                                             |                                                             |
| Available for allocation to Mutual Funds only (5% of the QIB Portion, excluding the Anchor Investor Portion)                | 107,448 Equity Shares                                       |
| Balance of QIB Portion for all QIBs including Mutual Funds                                                                  | 2,041,494 Equity Shares                                     |
|                                                                                                                             |                                                             |
| B) Non-Institutional Portion <sup>(7)</sup>                                                                                 | Not less than 1,611,707 Equity Shares                       |
|                                                                                                                             |                                                             |
| C) Retail Portion <sup>(7)</sup>                                                                                            | Not less than 3,760,648 Equity Shares                       |
|                                                                                                                             |                                                             |
| <b>Pre-Offer and Post-Offer Equity Shares</b>                                                                               |                                                             |
| Equity Shares outstanding prior to the Offer and after the Offer                                                            | 53,723,533 Equity Shares                                    |

(1) The Offer has been authorised by the Board of Directors pursuant to the resolution dated December 24, 2015.

(2) Offer for sale of up to 10,207,472 Equity Shares by Agalia has been authorised pursuant to its board resolution dated December 21, 2015.

(3) Offer for sale of up to 180,000 Equity Shares by A. Velumani HUF has been authorised through consent letter dated December 21, 2015.

(4) Offer for sale of up to 180,000 Equity Shares by A. Sundararaju HUF has been authorised through consent letter dated December 21, 2015.

(5) Offer for sale of up to 177,236 Equity Shares by Anand Velumani has been authorised through consent letter dated December 21, 2015.

All the Equity Shares being offered through the Offer, as set out above, are eligible for the same in terms of the SEBI Regulations.

(6) Our Company and Selling Shareholders, in consultation with BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For further details, see section entitled "Offer Procedure" on page 382.

(7) Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company in consultation with the Selling Shareholders and the BRLMs and the Designated Stock Exchange.

Allocation to Bidders in all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis.



## GENERAL INFORMATION

Our Company was incorporated as Thyrocare Technologies Limited on January 28, 2000 at Mumbai and received a certificate of commencement of business on March 7, 2000. It was incorporated as a public limited company under the Companies Act, 1956. For further details, see section entitled “*History and Certain Corporate Matters*” on page 142. For further details of the business of our Company, see section entitled “*Our Business*” on page 115.

### Registered Office of our Company

#### Thyrocare Technologies Limited

D/37-1, TTC Industrial Area

MIDC Turbhe

Navi Mumbai 400 703

Tel: (91 22) 2762 2762

Fax: (91 22) 2768 2409

Website: [www.thyrocare.com](http://www.thyrocare.com)

Corporate Identification Number: U85110MH2000PLC123882

Registration Number: 123882

For further details in relation to change in location of the registered office of our Company, see section entitled “*History and Certain Corporate Matters*” on page 142.

### Address of Registrar of Companies

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

100, 5<sup>th</sup> Floor, Everest

Marine Drive

Mumbai 400 002

### Board of Directors

The Board comprises the following Directors:

| Name                | Designation                                    | DIN       | Address                                                                                       |
|---------------------|------------------------------------------------|-----------|-----------------------------------------------------------------------------------------------|
| Dr. A. Velumani     | Chairman, CEO and Managing Director            | 00002804  | D-37/1, TTC MIDC, Next to Allana Cold Storage, Vashi, Navi Mumbai 400 703                     |
| A. Sundararaju      | Executive Director and Chief Financial Officer | 00003260  | A-02, 01, Crimson Dawn, Pricol Apartment, Nava India Road, Peelamedu, Coimbatore 641 004      |
| Sumathi Velumani    | Non-Executive Director                         | 00002812  | D-37/1, TTC MIDC, Next to Allana Cold Storage, Vashi, Navi Mumbai 400 703                     |
| Gopal Shivram Hegde | Independent Director                           | 00157676  | 134, Aram Nagar II, Versova Road, Andheri (West), Mumbai 400 061                              |
| Vishwas Kulkarni    | Independent Director                           | 06953750  | B-504, 5 <sup>th</sup> Floor, Raunak Tower, Off. Gokhale Road, Naupada, Thane, Mumbai 400 602 |
| N. Palanisamy       | Independent Director                           | 06972368  | 4/7, Savithri Garden, Chinthamani Pudur, Irugur, Coimbatore 641 103                           |
| Dr. Neetin S. Desai | Independent Director                           | 002622364 | CH-2, Flat No. 44, Kendriya Vihar, Sector No-11, Kharghar, Mumbai 410 210                     |
| Sohil Chand         | Nominee Director                               | 02170052  | B-19, Defence Colony, New Delhi 110 024                                                       |

For further details of our Directors, see section entitled “*Our Management*” on page 151.

### **Company Secretary and Compliance Officer**

Ramjee Dorai is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

#### **Ramjee Dorai**

D/37-1, TTC Industrial Area, MIDC Turbhe  
Navi Mumbai 400703  
Tel: (91 22) 2762 2762  
Fax: (91 22) 2768 2409  
E-mail: ramjee.d@thyrocare.com

### **Chief Financial Officer**

A. Sundararaju is the Chief Financial Officer of our Company. His contact details are as follows:

#### **A. Sundararaju**

D/37-1, TTC Industrial Area, MIDC Turbhe  
Navi Mumbai 400703  
Tel: (91 22) 2762 2762  
Fax: (91 22) 2768 2409  
E-mail: asr@thyrocare.com

**Bidders can contact the Compliance Officer or the Registrar and Share Transfer Agent to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account and refund orders.**

Bidders may contact the Book Running Lead Managers for complaints, information or clarifications pertaining to the Offer.

All grievances other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Bidder.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar and Share Transfer Agent to the offer, giving full details such as the name of the sole or first Bidder, Anchor Investor Application Form number, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor. Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the Bidder shall also enclose the acknowledgement from the Registered Broker in addition to the document or information mentioned hereinabove.

### **Book Running Lead Managers**

#### **JM Financial Institutional Securities Limited**

*(formerly JM Financial Institutional Securities Private Limited)*

7<sup>th</sup> Floor, Energy Building  
Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400 025  
Tel: (91 22) 6630 3030  
Fax: (91 22) 6630 3330

E-mail: thyrocare.ipo@jmfl.com  
Investor Grievance E-mail: grievance.ibd@jmfl.com  
Website: www.jmfl.com  
Contact Person: Lakshmi Lakshmanan  
SEBI Registration No.: INM000010361

#### **Edelweiss Financial Services Limited**

14<sup>th</sup> Floor, Edelweiss House  
Off C.S.T. Road  
Kalina  
Mumbai 400 098  
Tel: (91 22) 4009 4400  
Fax: (91 22) 4086 3610  
E-mail: tl.ipo@edelweissfin.com  
Investor Grievance E-mail: customerservice.mb@edelweissfin.com  
Website: www.edelweissfin.com  
Contact Person: Sandeep Maheshwari  
SEBI Registration No.: INM0000010650

#### **ICICI Securities Limited**

ICICI Centre  
H.T. Parekh Marg  
Churchgate  
Mumbai 400 020  
Tel : (91 22) 2288 2460  
Fax : (91 22) 2282 6580  
E-mail: thyrocare.ipo@icicisecurities.com  
Investor Grievance E-mail: customercare@icicisecurities.com  
Website: www.icicisecurities.com  
Contact Person: Amit Joshi/Vishal Kanjani  
SEBI Registration No.: INM000011179

#### **Inter-se allocation of responsibilities between the BRLMs**

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs for the Offer:

| <b>S.No.</b> | <b>Activity</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Responsibilities</b>              | <b>Co-ordination</b> |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------|
| 1.           | Capital Structuring with relative components and formalities such as type of instruments, etc.                                                                                                                                                                                                                                                                                                                                                                                                                      | JM Financial,<br>Edelweiss,<br>I-Sec | JM Financial         |
| 2.           | Due diligence of Company's operations / management / business plans / legal etc. Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing, follow up and coordination till final approval from all regulatory authorities | JM Financial,<br>Edelweiss,<br>I-Sec | JM Financial         |
| 3.           | Drafting and approval of all statutory advertisement                                                                                                                                                                                                                                                                                                                                                                                                                                                                | JM Financial,<br>Edelweiss,<br>I-Sec | JM Financial         |
| 4.           | Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3 above including media monitoring, corporate advertisement, brochure etc.                                                                                                                                                                                                                                                                                                                                       | JM Financial,<br>Edelweiss,<br>I-Sec | I-Sec                |
| 5.           | Appointment of other intermediaries viz., Registrar's, Printers, Advertising Agency and Bankers to the Offer                                                                                                                                                                                                                                                                                                                                                                                                        | JM Financial,<br>Edelweiss,<br>I-Sec | I-Sec                |
| 6.           | International institutional marketing strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | JM Financial,                        | Edelweiss            |

| S.No. | Activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Responsibilities                     | Co-ordination                        |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|       | <ul style="list-style-type: none"> <li>Preparation of road show presentation</li> <li>Finalize the list and division of investors for one to one meetings, in consultation with the Company, and</li> <li>Finalizing the International road show schedule and investor meeting schedules</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                       | Edelweiss,<br>I-Sec                  |                                      |
| 7.    | Domestic institutions / banks / mutual funds marketing strategy <ul style="list-style-type: none"> <li>Finalize the list and division of investors for one to one meetings, institutional allocation in consultation with the Company.</li> <li>Finalizing the list and division of investors for one to one meetings, and</li> <li>Finalizing investor meeting schedules</li> </ul>                                                                                                                                                                                                                                                                                                      | JM Financial,<br>Edelweiss,<br>I-Sec | JM Financial                         |
| 8.    | Non-Institutional and Retail marketing of the Offer, which will cover, inter alia, <ul style="list-style-type: none"> <li>Formulating marketing strategies, preparation of publicity budget</li> <li>Finalize Media and PR strategy</li> <li>Finalizing centers for holding conferences for press and brokers</li> <li>Finalising collection centres;</li> <li>Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Offer material</li> </ul>                                                                                                                                                                         | JM Financial,<br>Edelweiss,<br>I-Sec | I-Sec                                |
| 9.    | Co-ordination with Stock Exchanges for Book Building software, bidding terminals and mock trading.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | JM Financial,<br>Edelweiss,<br>I-Sec | I-Sec                                |
| 10.   | Coordination with Stock-Exchanges for payment of 1% security deposit through cash and bank guarantee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | JM Financial,<br>Edelweiss,<br>I-Sec | JM Financial                         |
| 11.   | Finalization of pricing, in consultation with the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | JM Financial,<br>Edelweiss,<br>I-Sec | JM Financial,<br>Edelweiss,<br>I-Sec |
| 12.   | Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, 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-issue activity such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks etc. Including responsibility for underwriting arrangements, as applicable. | JM Financial,<br>Edelweiss,<br>I-Sec | Edelweiss                            |

### Syndicate Members

[•]

### Indian Legal Counsel to the Offer

#### Cyril Amarchand Mangaldas

Peninsula Chambers  
Peninsula Corporate Park  
Ganpatrao Kadam Marg  
Lower Parel  
Mumbai 400 013  
Tel: (91 22) 2496 4455  
Fax: (91 22) 2496 3666

## **International Legal Counsel to the Underwriters**

### **Dorsey & Whitney LLP**

50 South Sixth Street  
Suite 1500  
Minneapolis  
MN 55402-1498  
United States of America  
Tel.: 1 612 340 2600  
Fax: 1 612 340 2868

## **Statutory Auditors of our Company**

### **B S R & Co. LLP, Chartered Accountants**

5<sup>th</sup> Floor, Lodha Excelus  
Apollo Mills Compound  
N.M. Joshi Marg, Mahalaxmi  
Mumbai 400 011  
Tel.: (91 22) 4345 5300  
Fax: (91 22) 4345 5399  
E-mail: ssshetty@bsraffiliates.com  
Firm Registration No.: 101248W/ W-100022

## **Registrar and Share Transfer Agent to the Offer**

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg  
Bhandup (West)  
Mumbai 400 078  
Maharashtra, India  
Tel: (91 22) 6171 5400  
Fax: (91 22) 2596 0329  
E-mail: ttl.ipo@linkintime.co.in  
Investor Grievance E-mail: ttl.ipo@linkintime.co.in  
Website: www.linkintime.co.in  
Contact Person: Shanti Gopalkrishnan  
SEBI Registration No.: INR000004058

## **Bankers to the Offer and Escrow Collection Banks**

[•]

### **Refund Bank**

[•]

## **Bankers to our Company**

### **Axis Bank Limited**

Shop No. 21, 22 & 23  
Moraj Residency, Plot No 1, Sector 16  
Off Palm Beach Road  
Sanpada,  
Navi Mumbai 400705.  
Tel.: (022) 27813336/37/38  
Fax: (022) 27813339  
E-mail: Sanpada.Operationshead@axisbank.com  
Website: www.axisbank.com  
Contact Person: Prarathana Verma

**Credit Rating**

As this Offer is an offer for sale of the Equity Shares, there is no credit rating for this Offer.

**Monitoring Agency**

The Offer being an offer for sale, our Company will not receive any proceeds from the Offer and is not required to appoint a monitoring agency for the Offer.

**IPO Grading**

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

**Appraising Entity**

None of the objects for which the Offer Proceeds will be utilised have been appraised by any agency.

**Trustees**

The Offer being an offer for sale of the Equity Shares, the appointment of trustees is not required.

**Experts**

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

Our Company has received written consent from the Statutory Auditor namely, B S R & Co. LLP, Chartered Accountants, to include its name as an expert under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in relation to the examination reports dated December 24, 2015 on the Restated Financial Statements of our Company and of our Subsidiary included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

Our Company has received consent dated December 29, 2015 from M Chinnaswamy Jai Vinoth and Associates, Chartered Accountants, to include a statement of possible special tax benefits available to our Company, including our Subsidiary and our Shareholders. For details, see section entitled “*Statement of Tax Benefits*” on page 96.

**Self Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For details of the Designated Branches which shall collect Bid cum Application Forms, please refer to the above-mentioned link.

**Registered Brokers**

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

**Registrar to Offer and Share Transfer Agents**

The list of the RTAs eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchanges at [●] and [●], respectively, as updated from time to time.

**Collecting Depository Participants**

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchanges at [●] and [●], respectively, as updated from time to time.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **Book Building Process**

The book building, in the context of the Offer, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band, which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and advertised at least five Working Days prior to the Bid/Offer Opening Date. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs after the Bid/Offer Closing Date.

In terms of Rule 19(2)(b)(ii) of the SCRR, as amended, this is an Offer for at least such percentage of the post-Offer Equity Share capital of the Company that will be equivalent to at least ₹4,000 million calculated at the Offer Price. The Offer will constitute up to 20% of the post-Offer paid-up Equity Share capital of our Company. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and Selling Shareholders, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be 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 QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders, other than Anchor Investors, are mandatorily required to participate in this Offer through the ASBA process, providing details of their respective bank accounts which will be blocked by SCSBs. Anchor Investors are not permitted to participate in the Offer through ASBA Process.

**All Bidders (excluding Anchor Investors) can participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process.**

**In accordance with the SEBI Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed 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 Bidders can revise or withdraw their Bids prior to the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Except Allocation to Retail Individual Investors and the Anchor Investors, Allocation in the Offer will be on a proportionate basis.**

For further details, see section entitled “Offer Procedure” on page 382.

Our Company will comply with the SEBI Regulations and any other directions issued by SEBI for this Offer. In this regard, our Company and the Selling Shareholders have appointed the BRLMs to manage the Offer and procure purchases for the Offer.

**The process of Book Building under the SEBI Regulations and the ASBA process is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Offer.**

For further details on the method and procedure for Bidding, please see section entitled “Offer Procedure” on page 382.

### **Illustration of Book Building Process and Price Discovery Process**

*Investors should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes bidding by Anchor Investors.*

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, offer size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at bidding

centres during the bidding period. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

| Bid Quantity | Bid Amount (₹) | Cumulative Quantity | Subscription |
|--------------|----------------|---------------------|--------------|
| 500          | 24             | 500                 | 16.67%       |
| 1,000        | 23             | 1,500               | 50.00%       |
| 1,500        | 22             | 3,000               | 100.00%      |
| 2,000        | 21             | 5,000               | 166.67%      |
| 2,500        | 20             | 7,500               | 250.00%      |

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, *i.e.*, ₹ 22.00 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, *i.e.*, at or below ₹ 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final approval of the Registrar of Companies after the Prospectus is filed with the Registrar of Companies; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

### Underwriting Agreement

After the determination of the Offer Price and allocation of the Equity Shares, but prior to filing of the Prospectus with the Registrar of Companies, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of the Equity Shares:

*This portion has been intentionally left blank and will be filled in before filing of the Prospectus with Registrar of Companies.*

| Name, address, telephone number, fax number and e-mail of the Underwriters | Indicative Number of the Equity Shares to be Underwritten | Amount Underwritten (₹ In million) |
|----------------------------------------------------------------------------|-----------------------------------------------------------|------------------------------------|
| [●]                                                                        | [●]                                                       | [●]                                |

The abovementioned underwriting commitments are indicative and will be finalised after pricing of the Offer and actual allocation and subject to the provisions of Regulation 13(2) of the SEBI Regulations.

In the opinion of the Board of Directors (based on certificates provided by Underwriters), resources of the above-mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as stock brokers with the Stock Exchanges. The Board of Directors/ Committee of Directors, has accepted and entered into the Underwriting Agreement on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the BRLMs and the Syndicate Members shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to Bidders procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchases for or purchase the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.



## CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Draft Red Herring Prospectus is set forth below:

*(In ₹, except share data)*

|          |                                                                    | Aggregate value at face value | Aggregate value at Offer Price |
|----------|--------------------------------------------------------------------|-------------------------------|--------------------------------|
| <b>A</b> | <b>AUTHORISED SHARE CAPITAL</b>                                    |                               |                                |
|          | 100,000,000 Equity Shares                                          | 1,000,000,000                 |                                |
| <b>B</b> | <b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER</b>     |                               |                                |
|          | 53,723,533 Equity Shares                                           | 537,235,330                   |                                |
| <b>C</b> | <b>PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b> |                               |                                |
|          | Up to 10,744,708 Equity Shares <sup>(1)</sup>                      | 107,447,080                   | [●]                            |
| <b>D</b> | <b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER</b>      |                               |                                |
|          | 53,723,533 Equity Shares                                           | 537,235,330                   |                                |
| <b>E</b> | <b>SECURITIES PREMIUM ACCOUNT</b>                                  |                               |                                |
|          | Before the Offer                                                   | 1,232,932,519                 |                                |
|          | After the Offer                                                    | 1,232,932,519                 |                                |

(1) The Equity Shares offered by the Selling Shareholders in the Offer are eligible for being offered for sale in the Offer in terms of Regulation 26(6) of the SEBI Regulations. The Offer for Sale has been authorised by the Selling Shareholders as follows: (i) up to 10,207,472 Equity Shares offered by Agalia pursuant to its board resolution dated December 21, 2015; (ii) up to 180,000 Equity Shares offered by A. Sundararaju HUF as per consent letter dated December 21, 2015; (iii) up to 180,000 Equity Shares offered by A. Velumani HUF as per consent letter dated December 21, 2015; and; (iv) up to 177,236 Equity Shares offered by Anand Velumani as per consent letter dated December 21, 2015.

The Offer has been authorised by the Board of Directors pursuant to the resolution dated December 24, 2015.

### Changes in the Authorised Capital

For details in relation to changes in the authorised Equity Share capital, see section entitled “History and Certain Corporate Matters – Amendments to our Memorandum of Association” on page 143.

## Notes to the Capital Structure

### (1) Equity Share Capital History of our Company

(a) The history of the Equity Share capital and securities premium account of our Company is provided in the following table:

| Date of allotment/<br>buyback of the<br>Equity Shares | No. of Equity<br>Shares<br>Allotted/<br>bought back | Face<br>value<br>(₹) | Issue Price/<br>Buyback<br>price<br>(₹) | Reason for Allotment                   | Consideration<br>(cash, other than<br>cash etc.) | Cumulative<br>No. of<br>Equity<br>Shares | Cumulative<br>paid-up<br>equity capital<br>(₹) | Cumulative<br>securities<br>premium<br>(₹) |
|-------------------------------------------------------|-----------------------------------------------------|----------------------|-----------------------------------------|----------------------------------------|--------------------------------------------------|------------------------------------------|------------------------------------------------|--------------------------------------------|
| January 28, 2000                                      | 900                                                 | 10                   | 10                                      | Initial subscription to the Memorandum | Cash                                             | 900                                      | 9,000                                          | -                                          |
| October 25, 2001                                      | 1,000,000                                           | 10                   | 10                                      | Preferential allotment                 | Cash                                             | 1,000,900                                | 10,009,000                                     | -                                          |
| November 11, 2003                                     | 1,000,900                                           | 10                   | -                                       | Bonus issue                            | Other than cash <sup>(1)</sup>                   | 2,001,800                                | 20,018,000                                     | -                                          |
| December 15, 2003                                     | 35,000                                              | 10                   | 200                                     | Preferential allotment                 | Cash                                             | 2,036,800                                | 20,368,000                                     | 6,650,000                                  |
| March 22, 2005                                        | 376,750                                             | 10                   | 200                                     | Preferential allotment                 | Cash <sup>(2)</sup>                              | 2,413,550                                | 24,135,500                                     | 78,232,500                                 |
| March 30, 2006                                        | 560,000                                             | 10                   | 200                                     | Preferential allotment                 | Cash                                             | 2,973,550                                | 29,735,500                                     | 184,632,500                                |
| March 31, 2006                                        | 7,433,875                                           | 10                   | -                                       | Bonus issue                            | Other than cash <sup>(3)</sup>                   | 10,407,425                               | 104,074,250                                    | 110,293,750                                |
| July 1, 2008                                          | 705,000                                             | 10                   | -                                       | Conversion of BCCL CCDs                | Other than cash <sup>(4)</sup>                   | 11,112,425                               | 111,124,250                                    | 353,243,800                                |
| October 23, 2009                                      | (303,000)                                           | 10                   | 470                                     | Buy-back                               | Cash <sup>(5)</sup>                              | 10,809,425                               | 108,094,250                                    | 213,863,800                                |
| March 8, 2013                                         | 108,094                                             | 10                   | 75                                      | Preferential allotment                 | Cash <sup>(6)</sup>                              | 10,917,519                               | 109,175,190                                    | 220,889,910                                |
| August 23, 2014                                       | 1,510,000                                           | 10                   | -                                       | Conversion of Agalia CCDs              | Other than cash <sup>(7)</sup>                   | 12,427,519                               | 124,275,190                                    | 455,785,510                                |
| September 23, 2014                                    | 33,650                                              | 10                   | 10                                      | ESOP-I                                 | Cash                                             | 12,461,169                               | 124,611,690                                    | 455,785,510                                |
| September 24, 2014                                    | 37,383,507                                          | 10                   | -                                       | Bonus issue                            | Other than cash <sup>(8)</sup>                   | 49,844,676                               | 498,446,760                                    | 84,980,440                                 |
| November 15, 2014                                     | 691,295                                             | 10                   | -                                       | Preferential allotment                 | Other than cash <sup>(9)</sup>                   | 50,535,971                               | 505,359,710                                    | 289,569,195                                |
| December 16, 2015                                     | 3,187,562                                           | 10                   | -                                       | Preferential allotment                 | Other than cash <sup>(10)</sup>                  | 53,723,533                               | 537,235,330                                    | 1,232,932,519                              |

(1) Bonus issue in the ratio of 1:1 to the then existing Shareholders, authorised by our Shareholders through a resolution passed at the EGM held on November 5, 2003.

(2) Our Company had allotted Equity Shares to 51 persons by way of a preferential allotment in breach of the provisions of Section 67(3) of the Companies Act, 1956. Accordingly, our Company had filed a compounding application before the RoC, which was subsequently transferred to the Company Law Board, Delhi. The said breach was compounded through the imposition of compounding fee of ₹50,000 on the Company and ₹20,000 each on two of the Executive Directors, namely Dr. A. Velumani and A. Sundararaju, which has been duly paid. For further details, see sections entitled "Risk Factors – Our Company had made an allotment of equity shares that was not in compliance with the then applicable laws relating to private placement of securities, which may result in regulatory consequences (including remedial action)" and "Outstanding Litigation and Material Developments" on pages 21 and 336, respectively.

(3) Bonus issue in the ratio of 5:2 to the then existing Shareholders, authorised by our Shareholders through a resolution passed in the EGM held on February 28, 2006.

(4) The Company had allotted 250,000 BCCL CCDs at a price of ₹1,000 per BCCL CCD. Pursuant to the conversion of the said BCCL CCDs, 705,000 Equity Shares were issued at a conversion price of ₹354.61 including a premium of ₹344.61 per Equity Shares without payment of any additional consideration, as authorised by the Board through a resolution dated July 1, 2008.

(5) 303,000 Equity Shares were bought back from BCCL from the securities premium account of our Company at a price of ₹470 per Equity Share, as authorised by our Shareholders through a resolution passed at the EGM held on August 29, 2009.

- (6) 108,094 Equity Shares were allotted to Dr. A. Velumani on a preferential basis as authorised by our Shareholders through a resolution passed at the EGM held on February 26, 2013. For further details, see the section entitled "Risk Factors - Our Statutory Auditors have made certain remarks in the notes to the Restated Standalone Financial Statements of our Company in respect of allotment of Equity Shares by our Company in Fiscal 2013."
- (7) The Company had allotted 377,500 Agalia CCDs at a price of ₹ 662.30 per Agalia CCD. Pursuant to the conversion of the said Agalia CCDs, 1,510,000 Equity Shares were allotted at a conversion price of ₹ 165.56 per Equity Share without payment of any additional consideration, as authorised by our Shareholders' through a resolution dated August 21, 2014 and Board through a resolution dated August 23, 2014. 248,775 Agalia CCDs were received by way of gift by Dr. A. Velumani, A. Sundararaju, Sumathi Velumani, Amruta Velumani, Anand Velumani and A. Velumani HUF from Agalia.
- (8) Bonus issue in the ratio of 3:1 to the then existing Shareholders, authorised by our Shareholders through a resolution passed in the EGM held on September 20, 2014.
- (9) Pursuant to a share swap arrangement between our Company and NHL, Equity Shares were allotted to SIPL, an erstwhile shareholder of NHL, on preferential basis, as consideration for the acquisition of 1,000,000 equity shares of ₹ 10 each of NHL by our Company from SIPL without payment of any consideration. The said swap was authorised by our Board through a resolution dated November 15, 2014 and by our Shareholders through a resolution passed at the EGM held on September 20, 2014. The Equity Shares were allotted at a price of ₹ 305.95 per Equity Share including a premium of ₹ 295.95.
- (10) Pursuant to a share swap arrangement between our Company and NHL, Equity Shares were allotted to the remaining erstwhile shareholders of NHL, on a preferential basis, as consideration for the acquisition of 4,611,000 equity shares of ₹ 10 each of NHL by our Company from such shareholders without payment of any consideration, as authorised by our Board through a resolution dated November 16, 2015 and by our Shareholders through a resolution passed at the EGM held on December 12, 2015. The Equity Shares were allotted at a price of ₹ 305.95 per Equity Share including a premium of ₹ 295.95.

(b) *Issue of Equity Shares for consideration other than cash and out of revaluation reserves*

Except as set out below, we have not issued Equity Shares for consideration other than cash. Further, we confirm that no benefits accrued to the Company on account of allotment of Equity Shares for consideration other than cash, except as may be specified.

| Date of Allotment | Name of Allottee                                                                                               | Number of Equity Shares Allotted | Face Value (₹) | Issue price per Equity Share (₹) | Reason for allotment                                                                                                                                                                                                                          | Benefits accrued to our Company |
|-------------------|----------------------------------------------------------------------------------------------------------------|----------------------------------|----------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| November 11, 2003 | Allotment to the then existing shareholders of the Company                                                     | 1,000,900                        | 10             | -                                | Bonus issue in the ratio of 1:1 <sup>(1)</sup> .                                                                                                                                                                                              | -                               |
| March 31, 2006    | Allotment to the then existing shareholders of the Company                                                     | 7,433,875                        | 10             | -                                | Bonus issue in the ratio of 5:2 <sup>(2)</sup>                                                                                                                                                                                                | -                               |
| July 1, 2008      | BCCL                                                                                                           | 705,000                          | 10             | -                                | Equity Shares allotted upon conversion of 250,000 BCCL CCDs without payment of any additional consideration.                                                                                                                                  |                                 |
| August 23, 2014   | Agalia, Dr. A. Velumani, A. Sundararaju, Sumathi Velumani, Amruta Velumani, Anand Velumani and A. Velumani HUF | 1,510,000                        | 10             | -                                | 1,510,000 Equity Shares were allotted pursuant to the conversion of the 377,500 Agalia CCDs at a price of ₹ 662.30 per Agalia CCD without payment of any additional consideration. 248,775 Agalia CCDs were received by way of gift by Dr. A. | -                               |

| Date of Allotment  | Name of Allottee                                                                                        | Number of Equity Shares Allotted | Face Value (₹) | Issue price per Equity Share (₹) | Reason for allotment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Benefits accrued to our Company                                                                                                      |
|--------------------|---------------------------------------------------------------------------------------------------------|----------------------------------|----------------|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
|                    |                                                                                                         |                                  |                |                                  | Velumani, A. Sundararaju, Sumathi Velumani, Amruta Velumani, Anand Velumani and A. Velumani HUF from Agalia.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                      |
| September 24, 2014 | Allotment to the then existing shareholders of the Company                                              | 37,383,507                       | 10             | -                                | Bonus issue in the ratio of 3:1 <sup>(3)</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | -                                                                                                                                    |
| November 15, 2014  | Sumathi Infra Project Private Limited                                                                   | 691,295                          | 10             | -                                | Pursuant to a share swap arrangement between our Company and NHL, Equity Shares were allotted to SIPL, an erstwhile shareholder of NHL, on preferential basis, as consideration for the acquisition of 1,000,000 equity shares of ₹ 10 each of NHL by our Company from SIPL without payment of any consideration. The said swap was authorised by our Board through a resolution dated November 15, 2014 and by our Shareholders through a resolution passed at the EGM held on September 20, 2014. The Equity Shares were allotted at a price of ₹ 305.95 per Equity Share including a premium of ₹ 295.95 | Pursuant to the said acquisition of the equity shares of NHL, the Company's shareholding in NHL has increased from 49.50% to 58.50%. |
| December 16, 2015  | Dr. A. Velumani, Sumathi Velumani, Anand Velumani, Amruta Velumani, A. Velumani HUF, and A. Sundararaju | 3,187,562                        | 10             | -                                | Pursuant to a share swap arrangement between our Company and NHL, Equity Shares were allotted to the remaining erstwhile shareholders of NHL, on a preferential basis, as consideration for the acquisition of 4,611,000 equity shares of ₹ 10 each of NHL by our Company from such shareholders without payment of any consideration, as authorised by our Board through a resolution dated November 16, 2015 and by our Shareholders through a resolution passed at the EGM held on December 12, 2015. The Equity Shares were allotted at a price of ₹ 305.95 per Equity Share                            | Pursuant to the said acquisition of the equity shares of NHL, NHL has become a wholly owned subsidiary of our Company.               |

| Date of Allotment | Name of Allottee | Number of Equity Shares Allotted | Face Value (₹) | Issue price per Equity Share (₹) | Reason for allotment             | Benefits accrued to our Company |
|-------------------|------------------|----------------------------------|----------------|----------------------------------|----------------------------------|---------------------------------|
|                   |                  |                                  |                |                                  | including a premium of ₹ 295.95. |                                 |

(1) Bonus issue to the then existing Shareholders in the ratio of 1:1, authorised by our Shareholders through a resolution passed in the EGM held on November 5, 2003.

(2) Bonus issue to the then existing Shareholders in the ratio of 5:2, authorised by our Shareholders through a resolution passed in the EGM held on February 28, 2006.

(3) Bonus issue in the ratio of 3:1 to the existing Shareholders, authorised by our Shareholders through a resolution passed in the EGM held on September 20, 2014.

Further, we confirm that we have not issued any Equity Shares out of revaluation reserves.

## (2) *History of the Equity Share Capital held by our Promoters*

As on the date of this Draft Red Herring Prospectus, our Promoters hold 14,463,017 Equity Shares, constituting 26.92% of the issued, subscribed and paid-up Equity Share capital of our Company.

### (a) *Build-up of our Promoters' shareholding in our Company*

Set out below is the build-up of the shareholding of our Promoters since incorporation of our Company:

| Date of allotment/ Transfer | Nature of transaction                                                                  | No. of Equity Shares | Nature of consideration | Face value per Equity Share (₹) | Issue Price /Transfer Price per Equity Share (₹) | Percentage of the pre-Offer capital (%) | Percentage of the post-Offer capital (%) | Source of funds | Details of pledged Equity Shares |
|-----------------------------|----------------------------------------------------------------------------------------|----------------------|-------------------------|---------------------------------|--------------------------------------------------|-----------------------------------------|------------------------------------------|-----------------|----------------------------------|
| <b>Dr. A. Velumani</b>      |                                                                                        |                      |                         |                                 |                                                  |                                         |                                          |                 |                                  |
| January 28, 2000            | Allotment of Equity Shares to the initial subscribers to the Memorandum of Association | 100                  | Cash                    | 10                              | 10                                               | 0.00                                    | 0.00                                     | Own funds       | None                             |
| October 25, 2001            | Preferential allotment                                                                 | 56,900               | Cash                    | 10                              | 10                                               | 0.11                                    | 0.11                                     | Own funds       | None                             |
| November 11, 2003           | Bonus issue in the ratio of 1:1                                                        | 57,000               | Other than cash         | 10                              | -                                                | 0.11                                    | 0.11                                     | -               | None                             |
| March 31, 2006              | Bonus issue in the ratio of 5:2                                                        | 285,000              | Other than cash         | 10                              | -                                                | 0.53                                    | 0.53                                     | -               | None                             |
| February 28, 2010           | Purchase                                                                               | 147,035              | Cash                    | 10                              | 1.60                                             | 0.27                                    | 0.27                                     | Own             | None                             |

| Date of allotment/<br>Transfer | Nature of transaction                                                                              | No. of<br>Equity<br>Shares | Nature of<br>consideration | Face<br>value per<br>Equity<br>Share<br>(₹) | Issue Price<br>/Transfer<br>Price per<br>Equity Share<br>(₹) | Percentage<br>of the pre-<br>Offer<br>capital<br>(%) | Percentage<br>of the post-<br>Offer<br>capital<br>(%) | Source<br>of funds    | Details of<br>pledged<br>Equity<br>Shares |
|--------------------------------|----------------------------------------------------------------------------------------------------|----------------------------|----------------------------|---------------------------------------------|--------------------------------------------------------------|------------------------------------------------------|-------------------------------------------------------|-----------------------|-------------------------------------------|
|                                | Purchase                                                                                           | 1,545,350                  | Cash                       | 10                                          | 1.50                                                         | 2.88                                                 | 2.88                                                  | funds<br>Own<br>funds | None                                      |
| December 24, 2010              | Transfer                                                                                           | (350,000)                  | Cash                       | 10                                          | 481.06                                                       | (0.65)                                               | (0.65)                                                | -                     | None                                      |
| March 8, 2013                  | Preferential allotment                                                                             | 108,094*                   | Cash                       | 10                                          | 75                                                           | 0.20                                                 | 0.20                                                  | Own<br>funds          | None                                      |
| August 23, 2014                | Conversion of Agalia<br>CCDs                                                                       | 902,984 <sup>(1)</sup>     | Other than cash            | 10                                          | -                                                            | 1.68                                                 | 1.68                                                  | -                     | None                                      |
| September 16, 2014             | Gift                                                                                               | 54,315 <sup>(2)</sup>      | Other than cash            | 10                                          | -                                                            | 0.10                                                 | 0.10                                                  | -                     | None                                      |
| September 23, 2014             | Gift                                                                                               | 5,237 <sup>(2)</sup>       | Other than cash            | 10                                          | -                                                            | 0.01                                                 | 0.01                                                  | -                     | None                                      |
| September 24, 2014             | Bonus issue in the ratio<br>3:1                                                                    | 8,436,045                  | Other than cash            | 10                                          | -                                                            | 15.70                                                | 15.70                                                 | -                     | None                                      |
| December 16, 2015              | Transmission                                                                                       | 4                          | Other than cash            | 10                                          | -                                                            | 0.00                                                 | 0.00                                                  | -                     | None                                      |
| December 16, 2015              | Preferential allotment                                                                             | 2,965,284 <sup>(3)</sup>   | Other than cash            | 10                                          | -                                                            | 5.52                                                 | 5.52                                                  | -                     | None                                      |
| <b>Total</b>                   |                                                                                                    | <b>14,213,348</b>          |                            |                                             |                                                              | <b>26.46</b>                                         | <b>26.46</b>                                          |                       |                                           |
| <b>A. Sundararaju</b>          |                                                                                                    |                            |                            |                                             |                                                              |                                                      |                                                       |                       |                                           |
| January 28, 2000               | Allotment of Equity<br>Shares to the initial<br>subscribers to the<br>Memorandum of<br>Association | 100                        | Cash                       | 10                                          | 10                                                           | 0.00                                                 | 0.00                                                  | Own<br>funds          | None                                      |
| October 25, 2001               | Preferential allotment                                                                             | 23,100                     | Cash                       | 10                                          | 10                                                           | 0.04                                                 | 0.04                                                  | Own<br>funds          | None                                      |
| October 2, 2003                | Transfer                                                                                           | (7,500)                    | Cash                       | 10                                          | 40                                                           | (0.01)                                               | (0.01)                                                | -                     | None                                      |
| November 11, 2003              | Bonus issue in the ratio<br>of 1:1                                                                 | 15,700                     | Other than cash            | 10                                          | -                                                            | 0.03                                                 | 0.03                                                  | -                     | None                                      |
| March 31, 2006                 | Bonus issue in the ratio<br>of 5:2                                                                 | 78,500                     | Other than cash            | 10                                          | -                                                            | 0.15                                                 | 0.15                                                  | -                     | None                                      |
| February 28, 2010              | Purchase                                                                                           | 9,271                      | Cash                       | 10                                          | 1.46                                                         | 0.02                                                 | 0.02                                                  | Own<br>funds          | None                                      |
|                                | Purchase                                                                                           | 11,541                     | Cash                       | 10                                          | 1.60                                                         | 0.02                                                 | 0.02                                                  | Own<br>funds          | None                                      |
| December 24, 2010              | Transfer                                                                                           | (109,900)                  | Cash                       | 10                                          | 481.06                                                       | (0.20)                                               | (0.20)                                                | -                     | None                                      |

| Date of allotment/<br>Transfer | Nature of transaction        | No. of<br>Equity<br>Shares | Nature of<br>consideration | Face<br>value per<br>Equity<br>Share<br>(₹) | Issue Price<br>/Transfer<br>Price per<br>Equity Share<br>(₹) | Percentage<br>of the pre-<br>Offer<br>capital<br>(%) | Percentage<br>of the post-<br>Offer<br>capital<br>(%) | Source<br>of funds | Details of<br>pledged<br>Equity<br>Shares |
|--------------------------------|------------------------------|----------------------------|----------------------------|---------------------------------------------|--------------------------------------------------------------|------------------------------------------------------|-------------------------------------------------------|--------------------|-------------------------------------------|
| August 23, 2014                | Conversion of Agalia CCDs    | 30,012 <sup>(1)</sup>      | Other than cash            | 10                                          | -                                                            | 0.06                                                 | 0.06                                                  | -                  | None                                      |
| August 28, 2014                | Gift                         | 7,000 <sup>(4)</sup>       | Other than cash            | 10                                          | -                                                            | 0.01                                                 | 0.01                                                  | -                  | None                                      |
| September 2, 2014              | Gift                         | 1,000 <sup>(4)</sup>       | Other than cash            | 10                                          | -                                                            | 0.00                                                 | 0.00                                                  | -                  | None                                      |
| September 4, 2014              | Gift                         | 1,000 <sup>(4)</sup>       | Other than cash            | 10                                          | -                                                            | 0.00                                                 | 0.00                                                  | -                  | None                                      |
| September 24, 2014             | Bonus issue in the ratio 3:1 | 179,472                    | Other than cash            | 10                                          | -                                                            | 0.33                                                 | 0.33                                                  | -                  | None                                      |
| November 30, 2015              | Gift                         | 4 <sup>(5)</sup>           | Other than cash            | 10                                          | -                                                            | 0.00                                                 | 0.00                                                  | -                  | None                                      |
| December 16, 2015              | Preferential allotment       | 10,369 <sup>(3)</sup>      | Other than cash            | 10                                          | -                                                            | 0.02                                                 | 0.02                                                  | -                  | None                                      |
| <b>Total</b>                   |                              | <b>249,669</b>             |                            |                                             |                                                              | <b>0.46</b>                                          | <b>0.46</b>                                           |                    |                                           |

(1) The Company had allotted 377,500 Agalia CCDs at a price of ₹ 662.30 per Agalia CCD. Pursuant to the conversion of the said Agalia CCDs, 1,510,000 Equity Shares were allotted at a conversion price of ₹ 165.56 per Equity Share without payment of any additional consideration, as authorised by our Shareholders' through a resolution dated August 21, 2014 and Board through a resolution dated August 23, 2014. 248,775 Agalia CCDs were received by way of gift by Dr. A. Velumani, A. Sundararaju, Sumathi Velumani, Amruta Velumani, Anand Velumani and A. Velumani HUF from Agalia.

(2) Equity Shares received by Dr. A. Velumani as gift from certain existing Shareholders in appreciation of the performance of the Company over the years.

(3) Pursuant to a share swap arrangement between our Company and NHL, Equity Shares were allotted to the remaining erstwhile shareholders of NHL, on a preferential basis, as consideration for the acquisition of 4,611,000 equity shares of ₹ 10 each of NHL by our Company from such shareholders without payment of any consideration, as authorised by our Board through a resolution dated November 16, 2015 and by our Shareholders through a resolution passed at the EGM held on December 12, 2015. The Equity Shares were allotted at a price of ₹ 305.95 per Equity Share including a premium of ₹ 295.95.

(4) Equity Shares received by A. Sundararaju as gift from certain family members.

(5) Equity Shares received by A. Sundararaju as gift from P Arokiaswamy.

\* 108,094 Equity Shares were allotted to Dr. A. Velumani on a preferential basis as authorised by our Shareholders through a resolution passed at the EGM held on February 26, 2013. For further details, see the section entitled "Risk Factors - Our Statutory Auditors have made certain remarks in the notes to the Restated Standalone Financial Statements of our Company in respect of allotment of Equity Shares by our Company in Fiscal 2013."

All the Equity Shares held by the Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. Further, we confirm that none of the Equity Shares held by our Promoters are pledged or otherwise encumbered.

(b) *Shareholding of our Promoters and Promoter Group in our Company*

| Sr. No.        | Name of the Shareholder               | Pre-Offer            |       | Post-Offer*          |       |
|----------------|---------------------------------------|----------------------|-------|----------------------|-------|
|                |                                       | No. of Equity Shares | %     | No. of Equity Shares | %     |
| Promoters      |                                       |                      |       |                      |       |
| 1.             | Dr. A. Velumani                       | 14,213,348           | 26.46 | 14,213,348           | 26.46 |
| 2.             | A. Sundararaju                        | 249,669              | 0.46  | 249,669              | 0.46  |
|                | Sub-Total (A)                         | 14,463,017           | 26.92 | 14,463,017           | 26.92 |
| Promoter Group |                                       |                      |       |                      |       |
| 1.             | Thyrocare Properties                  | 5,217,800            | 9.71  | 5,217,800            | 9.71  |
| 2.             | Thyrocare Publications                | 6,534,500            | 12.16 | 6,534,500            | 12.16 |
| 3.             | Sumathi Velumani                      | 595,969              | 1.11  | 595,969              | 1.11  |
| 4.             | Anand Velumani                        | 810,400              | 1.51  | 633,164              | 1.18  |
| 5.             | Amruta Velumani                       | 752,512              | 1.40  | 752,512              | 1.40  |
| 6.             | A. Velumani HUF                       | 1,091,828            | 2.03  | 911,828              | 1.70  |
| 7.             | A. Sundararaju HUF                    | 2,596,540            | 4.83  | 2,416,540            | 4.50  |
| 8.             | Mahima Advertising Private Limited    | 1,260,000            | 2.35  | 1,260,000            | 2.35  |
| 9.             | Sumathi Infra Project Private Limited | 1,576,415            | 2.93  | 1,576,415            | 2.93  |
|                | Sub-Total (B)                         | 20,435,964           | 38.03 | 19,898,728           | 37.04 |
|                | Total (A) + (B)                       | 34,898,981           | 64.96 | 34,361,745           | 63.96 |

\* The post-Offer shareholding is based on the assumption that there will be full subscription to the Offer.

(c) *Details of Promoter's contribution and lock-in:*

Pursuant to the SEBI Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be locked in for a period of three years from the date of Allotment and our Promoters' shareholding in excess of 20% shall be locked in for a period of one year.

Accordingly, up to 10,744,707 Equity Shares, aggregating up to 20% of the post-Offer equity share capital of our Company, held by our Promoters (individual holding), shall be locked-in for a period of three years from the date of Allotment in the Offer. Details of the Equity Shares to be locked-in for three years are as follows:

| Name of the Promoter | Date of Transaction and when made fully paid-up | Nature of Transaction     | No. of Equity Shares   | Face Value (₹) | Issue/acquisition price per Equity Share (₹) | Percentage of post-Offer paid-up capital (%) |
|----------------------|-------------------------------------------------|---------------------------|------------------------|----------------|----------------------------------------------|----------------------------------------------|
| Dr. A. Velumani      | March 31, 2006                                  | Bonus issue               | 49,000                 | 10             | -                                            | 0.09                                         |
|                      | February 28, 2010                               | Purchase                  | 147,035                | 10             | 1.60                                         | 0.27                                         |
|                      | February 28, 2010                               | Purchase                  | 1,545,350              | 10             | 1.50                                         | 2.88                                         |
|                      | March 8, 2013                                   | Preferential allotment    | 108,094 <sup>(1)</sup> | 10             | 75                                           | 0.20                                         |
|                      | August 23, 2014                                 | Conversion of Agalia CCDs | 902,984 <sup>(2)</sup> | 10             | -                                            | 1.68                                         |
|                      | September 16, 2014                              | Gift                      | 54,315                 | 10             | -                                            | 0.10                                         |
|                      | September 23, 2014                              | Gift                      | 5,237                  | 10             | -                                            | 0.01                                         |
|                      | September 24, 2014                              | Bonus issue               | 7,693,396              | 10             | -                                            | 14.32                                        |
| A. Sundararaju       | February 28, 2010                               | Purchase                  | 9,271                  | 10             | 1.46                                         | 0.02                                         |
|                      | February 28, 2010                               | Purchase                  | 11,541                 | 10             | 1.60                                         | 0.02                                         |
|                      | August 23, 2014                                 | Conversion of Agalia CCDs | 30,012 <sup>(2)</sup>  | 10             | -                                            | 0.06                                         |
|                      | August 28, 2014                                 | Gift                      | 9,000                  | 10             | -                                            | 0.02                                         |
|                      | September 24, 2014                              | Bonus issue               | 179,472                | 10             | -                                            | 0.33                                         |
| <b>Total</b>         |                                                 |                           | <b>10,744,707</b>      |                |                                              | <b>20.00</b>                                 |

(1) 108,094 Equity Shares were allotted to Dr. A. Velumani on a preferential basis as authorised by our Shareholders through a resolution passed at the EGM held on February 26, 2013. For further details, see the section entitled "Risk Factors - Our Statutory Auditors have made certain remarks in the notes to the Restated Standalone Financial Statements of our Company in respect of allotment of Equity Shares by our Company in Fiscal 2013."



- (2) *The Company had allotted 377,500 Agalia CCDs at a price of ₹ 662.30 per Agalia CCD. Pursuant to the conversion of the said Agalia CCDs, 1,510,000 Equity Shares were allotted at a conversion price of ₹ 165.56 per Equity Share without payment of any additional consideration, as authorised by our Shareholders' through a resolution dated August 21, 2014 and Board through a resolution dated August 23, 2014. 248,775 Agalia CCDs were received by way of gift by Dr. A. Velumani, A. Sundararaju, Sumathi Velumani, Amruta Velumani, Anand Velumani and A. Velumani HUF from Agalia.*

The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of SEBI Regulations. In this regard, we confirm the following:

- (i) The Equity Shares offered for Promoters' contribution (a) have not been acquired in the last three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) bonus shares out of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of Promoter's contribution;
  - (ii) The Promoters' contribution does not include any Equity Shares acquired during the preceding one year and 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 into a Company;
  - (iv) The Equity Shares held by the Promoter and offered for Promoter's contribution are not subject to any pledge; and
  - (v) All the Equity Shares of our Company held by the Promoter are held in dematerialised form.
- (d) *Other requirements in respect of lock-in:*

In addition to 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked-in for three years as specified above and other than: (i) the Equity Shares subscribed to and Allotted pursuant to the Offer; (ii) the Equity Shares allotted to the existing employees of our Company under the ESOP Schemes and (iii) the Equity Shares held by EIF, which is a venture capital fund, 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.

The Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

The Equity Shares held by our Promoters which are locked-in may be transferred to and among the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in, in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.

- (e) *Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors*

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

(3) **Issue of Equity Shares in the preceding two years**

For details of issue of Equity Shares by our Company in the preceding two years, see section entitled “*Capital Structure – Equity Share Capital History of our Company*” on page 72.

(4) **Details of the Equity Shares held by the Selling Shareholders in our Company**

(a) The table below represents the shareholding of Agalia in our Company:

| Date of allotment/<br>Transfer | Nature of<br>transaction           | No. of Equity<br>Shares allotted/<br>transferred | Nature of<br>consideration | Face value per<br>Equity Share<br>(₹) | Issue Price /Transfer<br>Price per Equity Share<br>(₹) | Percentage of the<br>pre-Offer capital<br>(%) |
|--------------------------------|------------------------------------|--------------------------------------------------|----------------------------|---------------------------------------|--------------------------------------------------------|-----------------------------------------------|
| December 24, 2010              | Purchase                           | 2,598,420                                        | Cash                       | 10                                    | 481.06                                                 | 4.84                                          |
| September 27, 2013             | Transfer                           | (235,370)                                        | Cash                       | 10                                    | 1,062.15                                               | (0.44)                                        |
| August 23, 2014                | Conversion of<br>Agalia CCDs       | 514,900                                          | Other than cash            | 10                                    | -                                                      | 0.96                                          |
| September 16, 2014             | Gift <sup>(1)</sup>                | (54,315)                                         | Other than cash            | 10                                    | -                                                      | (0.10)                                        |
| September 24, 2014             | Bonus issue in the<br>ratio of 3:1 | 8,470,905                                        | Other than cash            | 10                                    | -                                                      | 15.77                                         |
|                                | <b>Total</b>                       | <b>11,294,540</b>                                |                            |                                       |                                                        | <b>21.02</b>                                  |

(1) *Equity Shares gifted by Agalia to Dr. A. Velumani in appreciation of the performance of the Company over the years.*

(b) The table below represents the shareholding of Anand Velumani in our Company:

| Date of allotment/<br>Transfer | Nature of<br>transaction                    | No. of Equity<br>Shares allotted/<br>transferred | Nature of<br>consideration | Face value per<br>Equity Share<br>(₹) | Issue Price /Transfer<br>Price per Equity Share<br>(₹) | Percentage of the<br>pre-Offer capital<br>(%) |
|--------------------------------|---------------------------------------------|--------------------------------------------------|----------------------------|---------------------------------------|--------------------------------------------------------|-----------------------------------------------|
| February 28, 2008              | Purchase                                    | 21,480                                           | Cash                       | 10                                    | 1.51                                                   | 0.04                                          |
|                                | Purchase                                    | 78,520                                           | Cash                       | 10                                    | 1.59                                                   | 0.15                                          |
| February 28, 2010              | Purchase                                    | 30,712                                           | Cash                       | 10                                    | 1.60                                                   | 0.06                                          |
| December 24, 2010              | Transfer                                    | (100,000)                                        | Cash                       | 10                                    | 481.06                                                 | (0.19)                                        |
| April 13, 2012                 | Purchase                                    | 167,136                                          | Cash                       | 10                                    | 4.00                                                   | 0.31                                          |
| August 23, 2014                | Conversion of<br>Agalia CCDs <sup>(1)</sup> | 3,888                                            | Other than cash            | 10                                    | -                                                      | 0.01                                          |
| September 24, 2014             | Bonus issue in the<br>ratio of 3:1          | 605,208                                          | Other than cash            | 10                                    | -                                                      | 1.13                                          |
| December 16, 2015              | Preferential<br>allotment <sup>(2)</sup>    | 3,456                                            | Other than cash            | 10                                    | -                                                      | 0.01                                          |

| Date of allotment/<br>Transfer | Nature of<br>transaction | No. of Equity<br>Shares allotted/<br>transferred | Nature of<br>consideration | Face value per<br>Equity Share<br>(₹) | Issue Price /Transfer<br>Price per Equity Share<br>(₹) | Percentage of the<br>pre-Offer capital<br>(%) |
|--------------------------------|--------------------------|--------------------------------------------------|----------------------------|---------------------------------------|--------------------------------------------------------|-----------------------------------------------|
|                                | <b>Total</b>             | <b>810,400</b>                                   |                            |                                       |                                                        | <b>1.51</b>                                   |

- (1) The Company had allotted 377,500 Agalia CCDs at a price of ₹ 662.30 per Agalia CCD. Pursuant to the conversion of the said Agalia CCDs, 1,510,000 Equity Shares were allotted at a conversion price of ₹ 165.56 per Equity Share without payment of any additional consideration, as authorised by our Shareholders' through a resolution dated August 21, 2014 and Board through a resolution dated August 23, 2014. 248,775 Agalia CCDs were received by way of gift by Dr. A. Velumani, A. Sundararaju, Sumathi Velumani, Amruta Velumani, Anand Velumani and A. Velumani HUF from Agalia.
- (2) Pursuant to a share swap arrangement between our Company and NHL, Equity Shares were allotted to the remaining erstwhile shareholders of NHL, on a preferential basis, as consideration for the acquisition of 4,611,000 equity shares of ₹ 10 each of NHL by our Company from such shareholders without payment of any consideration, as authorised by our Board through a resolution dated November 16, 2015 and by our Shareholders through a resolution passed at the EGM held on December 12, 2015. The Equity Shares were allotted at a price of ₹ 305.95 per Equity Share including a premium of ₹ 295.95.

(c) The table below represents the shareholding of A. Velumani HUF in our Company:

| Date of allotment/<br>Transfer | Nature of<br>transaction                    | No. of Equity<br>Shares allotted/<br>transferred | Nature of<br>consideration | Face value per<br>Equity Share (₹) | Issue Price /Transfer<br>Price per Equity Share<br>(₹) | Percentage of the<br>pre-Offer capital<br>(%) |
|--------------------------------|---------------------------------------------|--------------------------------------------------|----------------------------|------------------------------------|--------------------------------------------------------|-----------------------------------------------|
| October 25, 2001               | Preferential<br>allotment                   | 105,000                                          | Cash                       | 10                                 | 10.00                                                  | 0.20                                          |
| November 11, 2003              | Bonus issue in the<br>ratio of 1:1          | 105,000                                          | Other than cash            | 10                                 | -                                                      | 0.20                                          |
| November 30, 2005              | Purchase                                    | 50,000                                           | Cash                       | 10                                 | 15.00                                                  | 0.09                                          |
|                                | Purchase                                    | 20,000                                           | Cash                       | 10                                 | 5.00                                                   | 0.04                                          |
|                                | Purchase                                    | 35,000                                           | Cash                       | 10                                 | 5.71                                                   | 0.07                                          |
|                                | Purchase                                    | 30,000                                           | Cash                       | 10                                 | 40.00                                                  | 0.06                                          |
| March 31, 2006                 | Bonus issue in the<br>ratio of 5:2          | 862,500                                          | Other than cash            | 10                                 | -                                                      | 1.61                                          |
| February 28, 2010              | Transfer                                    | (209,138)                                        | Cash                       | 10                                 | 2.75                                                   | (0.39)                                        |
| December 24, 2010              | Transfer                                    | (800,038)                                        | Cash                       | 10                                 | 481.06                                                 | (1.49)                                        |
| August 23, 2014                | Conversion of<br>Agalia CCDs <sup>(1)</sup> | 25,112                                           | Other than cash            | 10                                 | -                                                      | 0.05                                          |
| September 24, 2014             | Bonus issue in the<br>ratio of 3:1          | 670,308                                          | Other than cash            | 10                                 | -                                                      | 1.25                                          |
| December 16, 2015              | Preferential<br>allotment <sup>(2)</sup>    | 198,084                                          | Other than cash            | 10                                 | -                                                      | 0.37                                          |
|                                | <b>Total</b>                                | <b>1,091,828</b>                                 |                            |                                    |                                                        | <b>2.03</b>                                   |

- (1) The Company had allotted 377,500 Agalia CCDs at a price of ₹ 662.30 per Agalia CCD. Pursuant to the conversion of the said Agalia CCDs, 1,510,000 Equity Shares were allotted at a conversion price of ₹ 165.56 per Equity Share without payment of any additional consideration, as authorised by our Shareholders' through a resolution dated August 21, 2014 and

Board through a resolution dated August 23, 2014. 248,775 Agalia CCDs were received by way of gift by Dr. A. Velumani, A. Sundararaju, Sumathi Velumani, Amruta Velumani, Anand Velumani and A. Velumani HUF from Agalia.

- (2) Pursuant to a share swap arrangement between our Company and NHL, Equity Shares were allotted to the remaining erstwhile shareholders of NHL, on a preferential basis, as consideration for the acquisition of 4,611,000 equity shares of ₹ 10 each of NHL by our Company from such shareholders without payment of any consideration, as authorised by our Board through a resolution dated November 16, 2015 and by our Shareholders through a resolution passed at the EGM held on December 12, 2015. The Equity Shares were allotted at a price of ₹305.95 per Equity Share including a premium of ₹295.95.

- (d) The table below represents the shareholding of A. Sundararaju HUF in our Company:

| Date of allotment/<br>Transfer | Nature of<br>transaction           | No. of Equity<br>Shares allotted/<br>transferred | Nature of<br>consideration | Face value per<br>Equity Share<br>(₹) | Issue Price /Transfer<br>Price per Equity Share<br>(₹) | Percentage of the<br>pre-Offer capital<br>(%) |
|--------------------------------|------------------------------------|--------------------------------------------------|----------------------------|---------------------------------------|--------------------------------------------------------|-----------------------------------------------|
| October 25, 2001               | Preferential<br>allotment          | 97,500                                           | Cash                       | 10                                    | 10                                                     | 0.18                                          |
| November 11, 2003              | Bonus issue in the<br>ratio of 1:1 | 97,500                                           | Other than cash            | 10                                    | -                                                      | 0.18                                          |
| November 30, 2005              | Transfer                           | (20,000)                                         | Cash                       | 10                                    | 5                                                      | (0.04)                                        |
| March 31, 2006                 | Bonus issue in the<br>ratio of 5:2 | 437,500                                          | Other than cash            | 10                                    | -                                                      | 0.81                                          |
| February 28, 2008              | Transfer                           | (278,300)                                        | Cash                       | 10                                    | 1.53                                                   | (0.52)                                        |
|                                | Transfer                           | (155,700)                                        | Cash                       | 10                                    | 1.45                                                   | (0.29)                                        |
|                                | Transfer                           | (5,000)                                          | Cash                       | 10                                    | 1.50                                                   | (0.00)                                        |
|                                | Transfer                           | (78,520)                                         | Cash                       | 10                                    | 1.59                                                   | (0.15)                                        |
| February 28, 2008              | Transfer                           | (45,000)                                         | Cash                       | 10                                    | 1.50                                                   | (0.08)                                        |
| February 28, 2010              | Purchase                           | 599,635                                          | Cash                       | 10                                    | 1.45                                                   | 1.12                                          |
| February 28, 2010              | Purchase                           | 49,500                                           | Cash                       | 10                                    | 470.00                                                 | 0.09                                          |
| December 24, 2010              | Transfer                           | (49,980)                                         | Cash                       | 10                                    | 481.06                                                 | (0.09)                                        |
| September 24, 2014             | Bonus in the ratio<br>of 3:1       | 1,947,405                                        | Other than cash            | 10                                    | -                                                      | 3.62                                          |
|                                | <b>Total</b>                       | <b>2,596,540</b>                                 |                            |                                       |                                                        | <b>4.83</b>                                   |

(5) **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of filing of this Draft Red Herring Prospectus:

| Category<br>(I) | Category of shareholder<br>(II) | Nos. of shareholders<br>(III) | No. of fully paid up equity shares held<br>(IV) | No. of Partly paid-up equity shares held<br>(V) | No. of shares underlying Depository Receipts<br>(VI) | Total nos. shares held<br>(VII)<br>=(IV)+(V)+(VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br>(VIII) As a % of (A+B+C 2) | Number of Voting Rights held in each class of securities<br>(IX) |            |            |                           | No. of 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)=<br>(VII)+(X) As a % of (A+B+C2) | Number of Locked in shares<br>(XII) |                                 | Number of Shares pledged or otherwise encumbered<br>(XIII) |                                  | Number of equity shares held in dematerialized form<br>(XIV) |
|-----------------|---------------------------------|-------------------------------|-------------------------------------------------|-------------------------------------------------|------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|------------|------------|---------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------|------------------------------------------------------------|----------------------------------|--------------------------------------------------------------|
|                 |                                 |                               |                                                 |                                                 |                                                      |                                                   |                                                                                                         | No of Voting Rights                                              |            |            | Total as a % of (A+B + C) |                                                                                         |                                                                                                                                                               | No. (a)                             | As a % of total Shares held (b) | No. (a)                                                    | As a % of total Share s held (b) |                                                              |
|                 |                                 |                               |                                                 |                                                 |                                                      |                                                   |                                                                                                         | Class eg: X                                                      | Class eg:y | Total      |                           |                                                                                         |                                                                                                                                                               |                                     |                                 |                                                            |                                  |                                                              |
| (A)             | Promoter & Promoter Group       | 11                            | 34,898,981                                      | Nil                                             | Nil                                                  | 34,898,981                                        | 64.96                                                                                                   | 34,898,981                                                       | Nil        | 34,898,981 | 64.96                     | Nil                                                                                     | 64.96                                                                                                                                                         | Nil                                 | Nil                             | 34,898,981                                                 |                                  |                                                              |
| (B)             | Public                          | 5                             | 18,689,952                                      | Nil                                             | Nil                                                  | 18,689,952                                        | 34.79                                                                                                   | 18,689,952                                                       | Nil        | 18,689,952 | 34.79                     | Nil                                                                                     | 34.79                                                                                                                                                         | Nil                                 | Nil                             | 18,689,952                                                 |                                  |                                                              |
| (C)             | Non Promoter-Non Public         |                               |                                                 |                                                 |                                                      |                                                   |                                                                                                         |                                                                  |            |            |                           |                                                                                         |                                                                                                                                                               |                                     |                                 |                                                            |                                  |                                                              |
| (C1)            | Shares underlying DRs           | Nil                           | Nil                                             | Nil                                             | Nil                                                  | Nil                                               | Nil                                                                                                     | Nil                                                              | Nil        | Nil        | Nil                       | Nil                                                                                     | 0.00                                                                                                                                                          | Nil                                 | Nil                             | Nil                                                        |                                  |                                                              |
| (C2)            | Shares held by Employee Trusts  | 1                             | 134,600                                         | Nil                                             | Nil                                                  | 134,600                                           | 0.25                                                                                                    | 134,600                                                          | Nil        | 134,600    | 0.25                      | Nil                                                                                     | 0.25                                                                                                                                                          | Nil                                 | Nil                             | 134,600                                                    |                                  |                                                              |
|                 | Total                           | 17                            | 53,723,533                                      | Nil                                             | Nil                                                  | 53,723,533                                        | 100.00                                                                                                  | 53,723,533                                                       | Nil        | 53,723,533 | 100.00                    | Nil                                                                                     | 100.00                                                                                                                                                        | Nil                                 | Nil                             | 53,723,533                                                 |                                  |                                                              |

(6) **The list of top 10 shareholders of our Company and the number of Equity Shares held by them are set forth below:**

- (a) The top 10 Shareholders as on the date of filing of this Draft Red Herring Prospectus are as follows:

| S. No. | Name of the Shareholder                | No. of Equity Shares | Percentage (%) |
|--------|----------------------------------------|----------------------|----------------|
| 1.     | Dr. A. Velumani                        | 14, 213,348          | 26.46          |
| 2.     | Agalia                                 | 11,294,540           | 21.02          |
| 3.     | Thyrocare Publications                 | 6,534,500            | 12.16          |
| 4.     | Thyrocare Properties                   | 5,217,800            | 9.71           |
| 5.     | NVP                                    | 5,064,880            | 9.43           |
| 6.     | A. Sundararaju HUF                     | 2,596,540            | 4.83           |
| 7.     | Sumathi Infra Project Private Limited  | 1,576,415            | 2.93           |
| 8.     | Mahima Advertising Private Limited     | 1,260,000            | 2.35           |
| 9.     | Samara Capital Partners Fund I Limited | 1,089,052            | 2.03           |
| 10.    | A Velumani HUF                         | 1,091,828            | 2.03           |
|        | <b>Total</b>                           | <b>49,938,903</b>    | <b>92.96</b>   |

- (b) The top 10 Shareholders 10 days prior to the date of filing of this Draft Red Herring Prospectus are as follows:

| S.No. | Name of the Shareholder                | No. of Equity Shares | Percentage (%) |
|-------|----------------------------------------|----------------------|----------------|
| 1.    | Dr. A. Velumani                        | 14, 213,348          | 26.46          |
| 2.    | Agalia                                 | 11,294,540           | 21.02          |
| 3.    | Thyrocare Publications                 | 6,534,500            | 12.16          |
| 4.    | Thyrocare Properties                   | 5,217,800            | 9.71           |
| 5.    | NVP                                    | 5,064,880            | 9.43           |
| 6.    | A. Sundararaju HUF                     | 2,596,540            | 4.83           |
| 7.    | Sumathi Infra Project Private Limited  | 1,576,415            | 2.93           |
| 8.    | Mahima Advertising Private Limited     | 1,260,000            | 2.35           |
| 9.    | Samara Capital Partners Fund I Limited | 1,089,052            | 2.03           |
| 10.   | A Velumani HUF                         | 1,091,828            | 2.03           |
|       | <b>Total</b>                           | <b>49,938,903</b>    | <b>92.96</b>   |

- (g) The top 10 Shareholders two years prior to the date of filing of this Draft Red Herring Prospectus are as follows:

| S. No. | Name of the Shareholder                | No. of Equity Shares | Percentage (%) |
|--------|----------------------------------------|----------------------|----------------|
| 1.     | Agalia                                 | 2,363,050            | 21.64          |
| 2.     | Dr. A. Velumani                        | 1,849,479            | 16.94          |
| 3.     | Thyrocare Publications                 | 1,633,625            | 14.96          |
| 4.     | Thyrocare Properties                   | 1,304,450            | 11.95          |
| 5.     | NVP                                    | 1,266,220            | 11.60          |
| 6.     | A Sundararaju HUF                      | 649,135              | 5.95           |
| 7.     | Mahima Advertising Private Limited     | 315,000              | 2.89           |
| 8.     | Samara Capital Partners Fund I Limited | 277,500              | 2.54           |
| 9.     | EIF                                    | 235,370              | 2.16           |
| 10.    | Sumathi Infra Project Private Limited  | 221,280              | 2.03           |
|        | <b>Total</b>                           | <b>10,115,109</b>    | <b>92.65</b>   |

(7) **Employee Stock Option Plan-I (“ESOP-I”)**

Our Company instituted the ESOP-I on September 3, 2014, pursuant to our Board and Shareholders’ resolutions dated September 3, 2014 and September 8, 2014 and modified pursuant to Board and

Shareholders' resolution dated September 16, 2014 and September 20, 2014, respectively. The objective of the ESOP is to motivate the employees to contribute to the growth and profitability of our Company and to attract and retain talent in the organisation. The ESOP-I is in compliance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.

In terms of the ESOP-I, our Board has approved, subject to the approval of the Shareholders and applicable law, granting of options if future convertible in Equity Shares representing up to 1% of the paid-up equity share capital of our Company.

Our Company has granted 33,650 options convertible into 33,650 Equity Shares and bonus allotment of 100,950 Equity Shares in relation to such options under ESOP-I, aggregating to 134,600 Equity Shares, which represents 0.25% of the pre-Offer paid-up equity capital of our Company. The following table sets forth the particulars of the options granted under the ESOP-I as of the date of filing of this Draft Red Herring Prospectus:

| Particulars                                                                                                                                                                                               | Details                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Options granted                                                                                                                                                                                           | 33,650                                                                                                                                                                                                                                                                                                                                           |
| The pricing formula                                                                                                                                                                                       | Intrinsic value based pricing of options                                                                                                                                                                                                                                                                                                         |
| Exercise price of options                                                                                                                                                                                 | 10                                                                                                                                                                                                                                                                                                                                               |
| Total options vested                                                                                                                                                                                      | Nil                                                                                                                                                                                                                                                                                                                                              |
| Options exercised                                                                                                                                                                                         | Nil                                                                                                                                                                                                                                                                                                                                              |
| Total number of shares arising as a result of exercise of options (including options that have been exercised)                                                                                            | 134,600 (33,650 Equity Shares, as adjusted for bonus issue in the ratio of 3:1)                                                                                                                                                                                                                                                                  |
| Options forfeited/lapsed/cancelled                                                                                                                                                                        | Nil                                                                                                                                                                                                                                                                                                                                              |
| Variation in terms of options                                                                                                                                                                             | Nil                                                                                                                                                                                                                                                                                                                                              |
| Money realised by exercise of options                                                                                                                                                                     | 0                                                                                                                                                                                                                                                                                                                                                |
| Total number of options in force                                                                                                                                                                          | 33,650                                                                                                                                                                                                                                                                                                                                           |
| Employee wise details of options granted to                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                  |
| (i) Senior Managerial Personnel i.e. Directors and key managerial personnel                                                                                                                               | See Note 1 below                                                                                                                                                                                                                                                                                                                                 |
| Dr. Caesar Sengupta (KMP)                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                  |
| Mr. M Chandrasekar (KMP)                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                  |
| Mr. S. Krishnakumar (KMP)                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                  |
| Mr. Rajkumar S Kushawaha (KMP)                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                  |
| Mr. M. Santhosh (KMP)                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                  |
| Mr. Sachin Salvi (KMP)                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                  |
| (ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during that year                                                                   | See Note 2 below                                                                                                                                                                                                                                                                                                                                 |
| (iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant  | Nil                                                                                                                                                                                                                                                                                                                                              |
| Fully diluted EPS pursuant to issue of Equity Shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'                                                 | The Stock Options have been issued in the form of shares in favor of the employee stock option trust and hence there has been no dilution in the EPS.                                                                                                                                                                                            |
| Difference between employee compensation cost using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company has used fair value of options | The difference between the fair price of the shares underlying the options on the grant date and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period and ₹ 8.18 Million have been charged to the Profit and Loss Account for the Fiscal 2015. |

| Particulars                                                                                                                                                                                                                                                                                                     | Details                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Impact of the above on our profits and EPS with reference to Standalone Financials                                                                                                                                                                                                                              | The impact of Profits for Fiscal 2015 is of ₹ 8.18 Million.<br>However, since the shares were allotted to the Employee Stock Option Trust, there has been no dilution in the EPS.                         |
| Weighted-average exercise prices and weighted-average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock                                                                                                                                        | NA                                                                                                                                                                                                        |
| Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely,                                                                                                                                              | Not Applicable since the Company is issuing the shares at par                                                                                                                                             |
| Impact on profits and EPS of the last three years if the Company had followed accounting policies specified in clause 13 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in respect of options granted in the last three years | No options were granted during the 3 preceding financial years ended Fiscal 2015.                                                                                                                         |
| Intention of the 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 Offer                                                                                                                                     | The options granted vest only on April 1, 2017. Accordingly it is expected that there would be no sale of Equity Shares within three months after the listing of the Equity Shares pursuant to the Offer. |
| Intention to sell Equity Shares arising out of the exercise of shares granted under ESOP within three months after the listing of Equity Shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)        | The options granted vest only on April 1, 2017. Accordingly it is expected that there would be no sale of Equity Shares within three months after the listing of the Equity Shares pursuant to the Offer. |

**Note 1: Details regarding options granted to the senior managerial personnel, i.e., Directors and key management personnel, under the ESOP-I are set forth below:**

| Name of the Director/Key Managerial Personnel | No of Options Granted (Including Bonus) | Total Number of Options Forfeited (Including Bonus) | Total Number of Options Outstanding (Including Bonus) |
|-----------------------------------------------|-----------------------------------------|-----------------------------------------------------|-------------------------------------------------------|
| Dr. Caesar Sengupta (KMP)                     | 19,796                                  | 0                                                   | 19,796                                                |
| Mr. M Chandrasekar (KMP)                      | 12,128                                  | 0                                                   | 12,128                                                |
| Mr. S. Krishnakumar (KMP)                     | 7,468                                   | 0                                                   | 7,468                                                 |
| Mr. Rajkumar S Khushawaha (KMP)               | 7,348                                   | 0                                                   | 7,348                                                 |
| Mr. M. Santhosh (KMP)                         | 6,704                                   | 0                                                   | 6,704                                                 |
| Mr. Sachin Salvi (KMP)                        | 3,492                                   | 0                                                   | 3,492                                                 |

**Note 2: Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year under the ESOP-I are set forth below:**

| Name of the Employee | No of Options Granted (Including Bonus) |
|----------------------|-----------------------------------------|
| Mr. K Kallathikumar  | 6,988                                   |

**(8) Employee Stock Option Plan-II ("ESOP-II")**

Our Company instituted the ESOP-II on March 14, 2015, pursuant to our Board and Shareholders' resolutions dated June 22, 2015 and September 26, 2015, respectively. The objective of the ESOP-II is



to motivate the employees to contribute to the growth and profitability of our Company and to attract and retain talent in the organisation. The ESOP-II is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended.

In terms of the ESOP-II, the Shareholders have approved granting of options exercisable into Equity Shares being not more than 1% of the paid-up equity share capital of our Company.

Our Company has granted options convertible into 40,434 Equity Shares, which represents 0.08% of the paid-up equity capital of our Company. The following table sets forth the particulars of the options granted under the ESOP-II as of the date of filing of this Draft Red Herring Prospectus:]

| Particulars                                                                                                                                                                                               | Details                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Options granted                                                                                                                                                                                           | 40,434                                                                                                                                                                                                                                                                                                                                                      |
| The pricing formula                                                                                                                                                                                       | Intrinsic value based pricing of options                                                                                                                                                                                                                                                                                                                    |
| Exercise price of options (as adjusted on allocation of bonus Equity Shares on the Equity Shares allotted to Thyrocare Employees Stock Option Trust)                                                      | 10                                                                                                                                                                                                                                                                                                                                                          |
| Total options vested                                                                                                                                                                                      | Nil                                                                                                                                                                                                                                                                                                                                                         |
| Options exercised                                                                                                                                                                                         | Nil                                                                                                                                                                                                                                                                                                                                                         |
| Total number of shares arising as a result of exercise of options (including options that have been exercised)                                                                                            | 40,434                                                                                                                                                                                                                                                                                                                                                      |
| Options forfeited/lapsed/cancelled                                                                                                                                                                        | Nil                                                                                                                                                                                                                                                                                                                                                         |
| Variation in terms of options                                                                                                                                                                             | Nil                                                                                                                                                                                                                                                                                                                                                         |
| Money realised by exercise of options                                                                                                                                                                     | 0                                                                                                                                                                                                                                                                                                                                                           |
| Total number of options in force                                                                                                                                                                          | 40,434                                                                                                                                                                                                                                                                                                                                                      |
| Employee wise details of options granted to                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                             |
| (i) Senior Managerial Personnel i.e. Directors and key managerial personnel                                                                                                                               | See Note 1 below                                                                                                                                                                                                                                                                                                                                            |
| Dr Caesar Sengupta (KMP)                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                             |
| Mr. M Chandrasekar (KMP)                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                             |
| Mr. S. Krishnakumar (KMP)                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                             |
| Mr. Rajkumar S Kushawaha (KMP)                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                             |
| Mr. M. Santhosh (KMP)                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                             |
| Mr. Sachin Salvi (KMP)                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                             |
| (ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during that year                                                                   | See Note 2 below                                                                                                                                                                                                                                                                                                                                            |
| (iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant  | Nil                                                                                                                                                                                                                                                                                                                                                         |
| Fully diluted EPS pursuant to issue of Equity Shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'                                                 | The number of dilutive potential Equity Shares arising out of the options has been computed at 40,434 Equity Shares assuming all the options are exercised on vesting.<br>The diluted EPS comes to ₹ 5.97                                                                                                                                                   |
| Difference between employee compensation cost using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company has used fair value of options | The difference between the fair price of the shares underlying the options on the grant date and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period and ₹ 7.64 Million have been charged to the Profit and Loss Account for the period ended 30.09.2015 |
| Impact of the above on our profits and EPS with                                                                                                                                                           | The impact of Profits for the period April 2015 to                                                                                                                                                                                                                                                                                                          |

| Particulars                                                                                                                                                                                                                                                                                              | Details                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| reference to Standalone Financials                                                                                                                                                                                                                                                                       | 30 <sup>th</sup> September 2015 is of ₹ 7.64 Million.<br>There has been dilution in the EPS from ₹ 5.98 to ₹ 5.97                                                                                        |
| Weighted-average exercise prices and weighted-average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock                                                                                                                                 | NA                                                                                                                                                                                                       |
| Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information                                                                                                                                                | Not Applicable since the Company is issuing the shares at par                                                                                                                                            |
| Impact on profits and EPS of the last three years if the Company had followed accounting policies specified in clause 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 in respect of options granted in the last three years                           | NA                                                                                                                                                                                                       |
| Intention of the 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 Offer                                                                                                                              | The options granted vest only on April 1, 2018. Accordingly it is expected that there would be no sale of Equity Shares within three months after the listing of the Equity Shares pursuant to the Offer |
| Intention to sell Equity Shares arising out of the exercise of shares granted under ESOP within three months after the listing of Equity Shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) | The options granted vest only on April 1, 2018. Accordingly it is expected that there would be no sale of Equity Shares within three months after the listing of the Equity Shares pursuant to the Offer |

**Note 1: Details regarding options granted to the senior managerial personnel, i.e., Directors and key management personnel, under the ESOP-II are set forth below:**

| Name of the Director/Key Managerial Personnel | No of Options Granted (Including Bonus) | Total Number of Options Forfeited (Including Bonus) | Total Number of Options Outstanding (Including Bonus) |
|-----------------------------------------------|-----------------------------------------|-----------------------------------------------------|-------------------------------------------------------|
| Dr. Caesar Sengupta (KMP)                     | 6,076                                   | 0                                                   | 6,076                                                 |
| Mr. M Chandrasekar (KMP)                      | 4,411                                   | 0                                                   | 4,411                                                 |
| Mr. S. Krishnakumar (KMP)                     | 2,155                                   | 0                                                   | 2,155                                                 |
| Mr. Rajkumar S Khushawaha (KMP)               | 1,973                                   | 0                                                   | 1,973                                                 |
| Mr. M. Santhosh (KMP)                         | 2,151                                   | 0                                                   | 2,151                                                 |
| Mr. Sachin Salvi (KMP)                        | 1,376                                   | 0                                                   | 1,376                                                 |

**Note 2: Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year under the ESOP-II are set forth below:**

| Name of the Employee | No of Options Granted (Including Bonus) |
|----------------------|-----------------------------------------|
| Mr. K Kallathikumar  | 2,209                                   |

- (9) Except as stated in section entitled “Our Management” on page 157, none of our Directors or key management personnel hold any Equity Shares in our Company.
- (10) As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (determined as per the definition of ‘associate company’ under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company.

- (11) As on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.
- (12) As on the date of this Draft Red Herring Prospectus, other than the allotments made as indicated below, no Equity Shares have been issued by our Company at a price that may be lower than the Offer Price during the last one year.

| Name of Allottee | Date of Allotment | Number of Equity Shares | Issue Price (₹)        | Reason                                                                                                                                                                                                                         |
|------------------|-------------------|-------------------------|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Dr. A. Velumani  | December 16, 2015 | 29,65,284               | Please refer to Note 1 | Allotment of Equity Shares to the remaining erstwhile shareholders of NHL, on a preferential basis, as consideration for the acquisition of 4,611,000 equity shares of ₹ 10 each of NHL by our Company from such shareholders. |
| Sumathi Velumani | December 16, 2015 | 6,913                   |                        |                                                                                                                                                                                                                                |
| Anand Velumani   | December 16, 2015 | 3,456                   |                        |                                                                                                                                                                                                                                |
| Amruta Velumani  | December 16, 2015 | 3,456                   |                        |                                                                                                                                                                                                                                |
| A. Velumani HUF  | December 16, 2015 | 198,084                 |                        |                                                                                                                                                                                                                                |
| A. Sundararaju   | December 16, 2015 | 10,369                  |                        |                                                                                                                                                                                                                                |

*Note 1: Pursuant to a share swap arrangement entered into between our Company and NHL, our Company issued and allotted 3,187,562 Equity Shares for the acquisition of 4,611,000 equity shares of NHL each having a face value of ₹10. The Equity Shares were allotted at a price of ₹ 305.95 each including a premium of ₹ 295.95. Accordingly, the issue price may be considered at ₹ 305.95. For further details, see section entitled “Capital Structure – Notes to the Capital Structure – Equity Share Capital History of our Company” on page 72.*

- (13) Except for the subscription to Equity Shares pursuant to the share swap as disclosed in the section entitled “Capital Structure – Notes to the Capital Structure – As on the date of this Draft Red Herring Prospectus, other than the allotments made as indicated below, no Equity Shares have been issued by our Company at a price that may be lower than the Offer Price during the last one year” on page 89, none of our Promoters, members of the Promoter Group, our Directors and their immediate relatives have purchased or sold any Equity Shares during a period of six months preceding the date of filing this Draft Red Herring Prospectus with SEBI.
- (14) Except as disclosed below, none of our Promoters, members of the Promoter Group, our Directors and their immediate relatives have purchased or sold any equity shares of our Subsidiary, during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI:

| Name of Allottee | Promoter/<br>Promoter<br>Group/<br>Directors<br>or their<br>immediate<br>relatives | Date of<br>Allotment | No. of<br>equity<br>shares of<br>NHL sold | Issue<br>Price<br>(₹)* | Reason                                                                                                                                                                                                                         |
|------------------|------------------------------------------------------------------------------------|----------------------|-------------------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Dr. A. Velumani  | Promoter/<br>Director                                                              | December 16,<br>2015 | 42,89,460                                 | Please refer to Note 1 | Allotment of Equity Shares to the remaining erstwhile shareholders of NHL, on a preferential basis, as consideration for the acquisition of 4,611,000 equity shares of ₹ 10 each of NHL by our Company from such shareholders. |
| Sumathi Velumani | Promoter/<br>Director                                                              | December 16,<br>2015 | 10,000                                    |                        |                                                                                                                                                                                                                                |
| Anand Velumani   | Promoter<br>Group/<br>Director                                                     | December 16,<br>2015 | 5,000                                     |                        |                                                                                                                                                                                                                                |
| Amruta Velumani  | Promoter<br>Group                                                                  | December 16,<br>2015 | 5,000                                     |                        |                                                                                                                                                                                                                                |
| A. Velumani HUF  | Promoter<br>Group                                                                  | December 16,<br>2015 | 2,86,540                                  |                        |                                                                                                                                                                                                                                |
| A. Sundararaju   | Promoter<br>Group                                                                  | December 16,<br>2015 | 15,000                                    |                        |                                                                                                                                                                                                                                |

*Note 1: Pursuant to a share swap arrangement entered into between our Company and NHL, our Company issued and allotted 3,187,562 Equity Shares for the acquisition of 4,611,000 equity shares of NHL each having a face value of ₹10. The Equity Shares were allotted at a price of ₹ 305.95 each including a premium of ₹ 295.95. Accordingly, the issue price may be considered at ₹ 305.95. For further details, see section entitled “Capital Structure – Notes to the Capital Structure – Equity Share Capital History of our Company” on page 72.*

For further details on the allotment of Equity Shares to the remaining erstwhile shareholders of NHL, on a preferential basis, please see section entitled “*Capital Structure- Notes to the Capital Structure- Equity Share Capital History of our Company*” on page 72.

- (15) As of the date of the filing of this Draft Red Herring Prospectus, the total number of Shareholders is 17.
- (16) Neither our Company nor any of our Directors have entered into any buy-back or standby arrangements, or both, or any safety net facility for purchase of Equity Shares from any person. Further, the BRLMs have not made any buy-back or standby arrangements, or both, or any safety net facility for purchase of Equity Shares from any person.
- (17) Except the options granted to the eligible employees pursuant to the ESOP Schemes, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares as on the date of this Draft Red Herring Prospectus.
- (18) Our Company has not issued any Equity Shares out of revaluation reserves.
- (19) All Equity Shares transferred pursuant to the Offer will be fully paid up at the time of Allotment and there are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus.
- (20) Any oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.
- (21) Except for the sale of Equity Shares by some of the members of our Promoter Group in the Offer, our Promoters, Promoter Group, Group Companies will not participate in the Offer.
- (23) There have been no financial arrangements whereby our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.
- (24) 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 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 shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to: (a) the transfer of any Equity Shares under this Offer; and (b) any issuance, offer, sale or any other transfer or transaction of a kind referred to above of any Equity Shares under or in connection with the exercise of any options or similar securities, as disclosed in this Draft Red Herring Prospectus and as will be disclosed in the Red Herring Prospectus and the Prospectus.
- (25) Except for any option convertible into Equity Shares pursuant to the ESOP Schemes, 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 this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.
- (26) In terms of Rule 19(2)(b)(ii) of the SCRR, as amended, this is an Offer for at least such percentage of the post-Offer Equity Share capital of the Company that will be equivalent to at least ₹4,000 million calculated at the Offer Price. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and Selling Shareholders, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be 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 QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to

Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders, other than Anchor Investors, are mandatorily required to participate in this Offer through the ASBA process, providing details of their respective bank accounts which will be blocked by SCSBs. Anchor Investors are not permitted to participate in the Offer through ASBA Process. For details, see section entitled “*Offer Procedure*” on page 382.

- (27) There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

## OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the BSE and the NSE and to carry out the sale of up to 10,744,708 Equity Shares by the Selling Shareholders. The listing of the Equity Shares will enhance our brand name and provide liquidity to the existing Shareholders. The listing of the Equity Shares will also provide a public market for the Equity Shares in India. Our Company will not receive any proceeds from the Offer.

### Offer Expenses

The Offer related expenses consist of listing fees, underwriting fees, selling commission, fees payable to the BRLMs, legal counsel, Bankers to the Offer including processing fee to the SCSBs for processing Bid cum Application Forms submitted by the Bidders procured by the members of the Syndicate and submitted to the SCSBs, Escrow Bankers and Registrar and Share Transfer Agent to the Offer, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the BSE and the NSE. All expenses with respect to the Offer, other than listing fees (which shall be borne solely by the Company), but including underwriting commissions, procurement commissions, if any, and brokerage due to the underwriters and sub-brokers or stock brokers, fees payable to the Self Certified Syndicate Banks, syndicate members, legal advisors and any other agreed fees and commissions payable in relation to the Offer shall be borne by Agalia. The break-up for the Offer expenses is as follows:

| Activity                                                                                         | Estimated Expense <sup>1</sup><br>(₹ million) | As a % of total estimated Offer expense <sup>1</sup> | As a % of total Offer size <sup>1</sup> |
|--------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------------|-----------------------------------------|
| Book Running Lead Managers (including underwriting commission, brokerage and selling commission) | [●]                                           | [●]                                                  | [●]                                     |
| Commission and processing fee for SCSBs <sup>2</sup> and Bankers to the Offer                    | [●]                                           | [●]                                                  | [●]                                     |
| Brokerage and selling commission for Registered Brokers, RTAs and CDPs <sup>3</sup>              | [●]                                           | [●]                                                  | [●]                                     |
| Registrar and Share Transfer Agent to the Offer                                                  | [●]                                           | [●]                                                  | [●]                                     |
| Other advisors to the Offer                                                                      | [●]                                           | [●]                                                  | [●]                                     |
| Others:                                                                                          |                                               |                                                      |                                         |
| - Listing fees                                                                                   | [●]                                           | [●]                                                  | [●]                                     |
| - Printing and stationery expenses                                                               | [●]                                           | [●]                                                  | [●]                                     |
| - Advertising and marketing                                                                      | [●]                                           | [●]                                                  | [●]                                     |
| - Miscellaneous                                                                                  | [●]                                           | [●]                                                  | [●]                                     |
| <b>Total estimated Offer expenses</b>                                                            | [●]                                           | [●]                                                  | [●]                                     |

<sup>1</sup> Will be completed after finalisation of the Offer Price.

<sup>2</sup> The SCSBs would be entitled to a processing fees of ₹ [●] per Bid cum Application Form, for processing the Bid cum Application Forms procured by the members of the Syndicate, Brokers, Sub-Syndicate/ Agents, or the Registered Brokers and submitted to the SCSBs.

<sup>3</sup> Registered Brokers, the RTAs and the CDPs will be entitled to a commission of ₹ [●] per every valid Bid cum Application Form submitted to them and uploaded on the electronic bidding system of the Stock Exchanges.

### Monitoring of Utilization of Funds

Since the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

## 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 qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 10 and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Bidders should also refer to the sections entitled “*Our Business*”, “*Risk Factors*” and “*Financial Statements*” on pages 115, 14 and 176, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

We believe the following business strengths allow us to successfully compete in the diagnostics industry:

- Portfolio of specialized tests with an emphasis on wellness and preventive healthcare;
- Multi-lab model driving volume growth and economies of scale;
- Pan-India collection network supported by logistics capabilities and information technology infrastructure;
- Capital efficiencies in our diagnostic testing business; and
- Experienced senior leadership and management team.

For further details, see section entitled “*Our Business*” on page 115.

### Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Statements prepared in accordance with Indian GAAP, the Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable) and restated in accordance with the SEBI Regulations.

For details, see section entitled “*Financial Statements*” on page 176.

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 per our Restated Standalone Financial Statements:

| Year Ended                                  | Basic EPS (in ₹) | Diluted EPS (in ₹) | Weight |
|---------------------------------------------|------------------|--------------------|--------|
| March 31, 2013                              | 13.04            | 11.45              | 1      |
| March 31, 2014                              | 10.57            | 9.29               | 2      |
| March 31, 2015                              | 9.79             | 9.79               | 3      |
| <b>Weighted Average</b>                     | <b>10.59</b>     | <b>9.90</b>        |        |
| <b>Six months ended September 30, 2015*</b> | <b>6.03</b>      | <b>6.03</b>        |        |

\*Not annualised

As per our Restated Consolidated Financial Statements:

| Year Ended                                  | Basic EPS (in ₹) | Diluted EPS (in ₹) | Weight |
|---------------------------------------------|------------------|--------------------|--------|
| March 31, 2015                              | 9.02             | 9.02               | 1      |
| <b>Weighted Average</b>                     | <b>9.02</b>      | <b>9.02</b>        |        |
| <b>Six months ended September 30, 2015*</b> | <b>5.94</b>      | <b>5.94</b>        |        |

\*Not annualised

Notes:

- i) The face value of each Equity Share is ₹ 10.
- ii) Basic and diluted earnings per Equity Share are computed in accordance with Accounting Standard 20 ‘earnings per Share’ notified by the Companies (Accounting Standards) Rules, 2006.
- iii) The above statement should be read with significant accounting policies and notes on Restated Financial Statements as appearing in the Financial Statements.

- iv) *Weighted Average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]*
- v) *Basic EPS (₹) is Net profit attributable to equity shareholders divided by Weighted average number of Equity Shares outstanding during the year / period.*

**2. Price/Earning (“P/E”) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:**

| Particulars                                                                                                  | P/E at the lower end of Price Band (no. of times) | P/E at the higher end of Price band (no. of times) |
|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------------------------------|
| Based on basic EPS as per the Restated Standalone Financial Statements for the year ended March 31, 2015     | [●]                                               | [●]                                                |
| Based on diluted EPS as per the Restated Standalone Financial Statements for the year ended March 31, 2015   | [●]                                               | [●]                                                |
| Based on basic EPS as per the Restated Consolidated Financial Statements for the year ended March 31, 2015   | [●]                                               | [●]                                                |
| Based on diluted EPS as per the Restated Consolidated Financial Statements for the year ended March 31, 2015 | [●]                                               | [●]                                                |

**3. Average Return on Net Worth (“RoNW”)**

As per Restated Standalone Financial Statements:

| Particulars                                | RoNW (%)     | Weight |
|--------------------------------------------|--------------|--------|
| Year ended March 31, 2013                  | 35.49        | 1      |
| Year ended March 31, 2014                  | 22.38        | 2      |
| Year ended March 31, 2015                  | 17.37        | 3      |
| <b>Weighted Average</b>                    | <b>22.06</b> |        |
| <b>Six months ended September 30, 2015</b> | <b>11.52</b> |        |

As per Restated Consolidated Financial Statements:

| Particulars                                | RoNW (%)     | Weight |
|--------------------------------------------|--------------|--------|
| Year ended March 31, 2015                  | 16.26        | 1      |
| <b>Weighted Average</b>                    | <b>16.26</b> |        |
| <b>Six months ended September 30, 2015</b> | <b>11.56</b> |        |

Notes:

(1) *Return on net worth % is Net profit attributable to equity shareholders for the year divided by net worth at the end of the year.*

**4. Minimum Return on Increase Net Worth required for maintaining pre-Offer as at September 30, 2015 is:**

There will be no change in the Net Worth post-Offer as the Offer is by way of Offer for Sale by the Selling Shareholders.

**5. Net Asset Value per Equity Share of face value of ₹ 10 each**

- Net asset value per Equity Share as on March 31, 2015 and September 30, 2015 as per Restated Standalone Financial Statements is ₹ 55.19 and ₹ 52.35 respectively.
- Net asset value per Equity Share as on March 31, 2015 and September 30, 2015 as per Restated Consolidated Financial Statements is ₹ 54.35 and ₹ 51.42 respectively



iii. After the Offer as per Restated Standalone Financial Statements:

a. At the Floor Price: ₹ [●]

b. At the Cap Price: ₹ [●]

iv. After the Offer as per Restated Consolidated Financial Statements:

a. At the Floor Price: ₹ [●]

b. At the Cap Price: ₹ [●]

v. Offer Price: ₹ [●]

Offer Price will be determined on the conclusion of the Book Building Process.

As the Offer consists only of an Offer for Sale by the Selling Shareholders, there will be no change in the Net Asset Value post-Offer.

## 6. Comparison with Listed Industry Peers

Peer group has been determined on the basis of listed public companies with business model comparable with our business:

|    | Name of the company                         | Face Value (₹) | Total Income (₹ Million) | Basic EPS (₹)        | Diluted EPS (₹)      | P/E (Based on basic EPS) | P/E (Based on diluted EPS) | RoNW (%)             | NAV (₹)              |
|----|---------------------------------------------|----------------|--------------------------|----------------------|----------------------|--------------------------|----------------------------|----------------------|----------------------|
| 1. | Thyrocare Technologies Limited <sup>#</sup> | 10             | 1,903.38                 | 9.02                 | 9.02                 | [●]                      | [●]                        | 16.26                | 54.35                |
| 2. | Peer Group <sup>@</sup>                     |                |                          |                      |                      |                          |                            |                      |                      |
|    | Dr. Lal Pathlabs Limited                    | 10             | 6,625.24 <sup>(1)</sup>  | 16.53 <sup>(1)</sup> | 11.48 <sup>(1)</sup> | 49.86 <sup>(2)</sup>     | 71.79 <sup>(2)</sup>       | 27.85 <sup>(1)</sup> | 57.56 <sup>(1)</sup> |
| 3. | Industry Composite                          |                |                          |                      |                      | 49.86                    | 71.79                      | 27.85                | 57.56                |

# Source: Based on the Restated Consolidated Financial Statements for the year ended March 31, 2015.

@ Based on audited consolidated financial results for the financial year ended March 31, 2015. The company was listed on the stock exchanges on December 23, 2015 and information sourced as mentioned below.

### Notes:

1. The information has been sourced from the prospectus dated December 16, 2015 issued by Dr. Lal Pathlabs Limited

3. P/E Ratio = [Closing market prices of equity shares of Dr. Lal Pathlabs Limited (sourced from the BSE website) as on December 23, 2015] divided by the EPS.

For a detailed discussion on the qualitative factors, which form the basis for computing the Issue Price, see the sections entitled “Our Business” and “Risk Factors” on pages 115 and 14, respectively.

## 7. The Offer Price is [●] times of the face value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company and the Selling Shareholders, in consultation with the BRLMs, 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. Investors should read the above mentioned information along with sections entitled “Risk Factors” and “Financial Statements” on pages 14 and 176, respectively, to have a more informed view.

Investors should read the above mentioned information along with sections entitled “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 14, 115, 294 and 176, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to factors mentioned in the section entitled “Risk Factors” and the investor may lose all or part of the investments.

For special tax benefits available to our Company see section entitled “Statement of Tax Benefits” on page 96.

## STATEMENT OF TAX BENEFITS

December 29, 2015

To,  
The Board of Directors,  
Thyrocare Technologies Limited.  
D-37/3, TTC MIDC,  
TURBHE, NAVI MUMBAI - 400703

Report on statement of tax benefits available to Thyrocare Technologies Limited

Dear Sirs,

We hereby confirm that the enclosed annexure, prepared by Thyrocare Technologies Limited ('the Company') states the possible tax benefits available to the Company under the Income Tax Act, 1961 ('the Act'), the Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India.

The amendments in Finance Act 2015 have been incorporated to the extent relevant in the enclosed annexure. The benefits discussed in the enclosed Annexure 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 hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, 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 offer.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

In our opinion, the Annexure presents, in all material respects, the possible benefits available as on the date of this certificate, to the Company, in accordance with the Act, the Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India.

This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus, Red Herring Prospectus & the Prospectus, prepared in connection with the proposed Initial Public Offering of Equity Shares of the Company, to be filed by the Company with the SEBI and the Concerned Registrar of Companies, Maharashtra.

**M.CHINNASWAMY B.COM., FCA**

Partner

Membership No. 014174S

Place: Coimbatore

**ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO  
THYROCARE TECHNOLOGIES LIMITED AND ITS SHAREHOLDERS**

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the year ended March 31, 2015 and the six months ended September 30, 2015.

**A. Benefits to the Company under the Act**

1. Special Tax Benefits

We have been given to understand that the Company has not availed any specific tax benefits.

**B. Benefits to the Resident members / shareholders of the Company under the Act**

1. Special Tax Benefits

We have been given to understand that there are no specific benefits available to the shareholders

## SECTION IV: ABOUT THE COMPANY

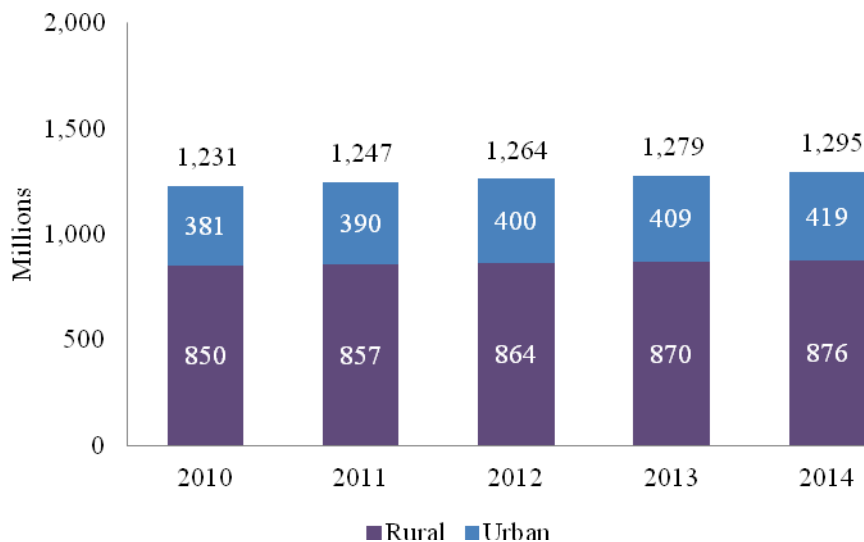
### INDUSTRY OVERVIEW

*The information in this section has been extracted from a report published by CRISIL Limited commissioned by us (the “CRISIL Research Report”), as well as publicly available documents, including officially prepared materials from the Government of India and its various ministries, trade, industry or general publications and other third party sources as cited in this section. Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. While we have exercised reasonable care in compiling and reproducing such official, industry, market and other data in this document, it has not been independently verified by us or any of our advisors, or any of the Book Running Lead Managers or any of their advisors, and should not be relied on as if it had been so verified.*

#### Overview of the Indian Economy

##### Population

According to the World Bank, in 2014, India had an estimated population of 1.295 billion. India has a young population; as of 2015, the median age of its population is only 27.3 years. (Source: CIA Factbook) In 2014, approximately 68.0% and 32.0% of India’s population lived in rural and urban areas, respectively. (Source: The World Bank data files) The following graph sets out the breakdown of India’s population between rural and urban areas for the years 2010 to 2014:



(Source: The World Bank data files (numbers are rounded to the nearest million), data retrieved on November 11, 2015)

##### GDP and Disposable Income

The Indian economy is one of the largest economies in the world, with a GDP at current price of an estimated ₹136 trillion for fiscal 2014 (Source: The World Bank data files). At current prices, India reached a gross saving rate of approximately 30.6% of GDP at market prices. With a real GDP growth rate at an estimated 7.4% during 2014-2015, India is one of the fastest growing major economies in the world. (Source: Government of India, Ministry of Statistics and Programme Implementation, Annual Report 2014-15)

The following table represents a comparison by calendar year of real GDP growth rates of certain countries:

| Country      | 2009       | 2010        | 2011       | 2012       | 2013       | 2014       | 2015P      | 2020P      |
|--------------|------------|-------------|------------|------------|------------|------------|------------|------------|
| USA          | (2.8)      | 2.5         | 1.6        | 2.3        | 2.2        | 2.4        | 3.1        | 2.0        |
| Australia    | 1.6        | 2.3         | 2.7        | 3.6        | 2.1        | 2.7        | 2.8        | 2.8        |
| UK           | (4.3)      | 1.9         | 1.6        | 0.7        | 1.7        | 2.6        | 2.7        | 2.1        |
| Japan        | (5.5)      | 4.7         | (0.5)      | 1.8        | 1.6        | (0.1)      | 1.0        | 0.7        |
| China        | 9.2        | 10.4        | 9.3        | 7.8        | 7.8        | 7.4        | 6.8        | 6.3        |
| <b>India</b> | <b>8.5</b> | <b>10.3</b> | <b>6.6</b> | <b>5.1</b> | <b>6.9</b> | <b>7.2</b> | <b>7.5</b> | <b>7.8</b> |
| Russian Fed. | (7.8)      | 4.5         | 4.3        | 3.4        | 1.3        | 0.6        | (3.8)      | 1.5        |
| Brazil       | (0.2)      | 7.6         | 3.9        | 1.8        | 2.7        | 0.1        | (1.0)      | 2.5        |

Note: Data for 2015 and 2020 is projected.

(Source: the International Monetary Fund's World Economic Outlook as of April 2015, data retrieved on November 11, 2015)

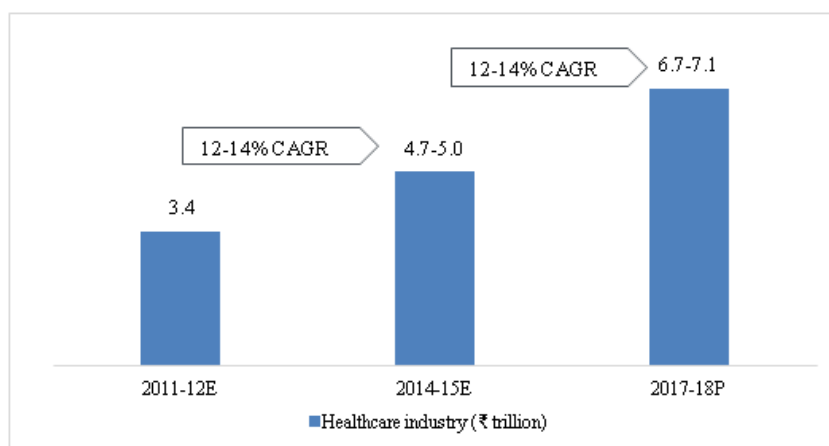
Despite an overall slowdown in India's rate of GDP growth since 2010, per capita GDP in India has nevertheless grown from an estimated US\$5,100 in 2012 to an estimated US\$5,900 in 2014. (Source: CIA Factbook) The increase in per capita income has created increasing wealth and positively affected disposable incomes. This has had a significant investment multiplier effect on the economy leading to increasing consumerism and wealth creation and thus positively impacting savings.

## Indian Healthcare Industry

### Healthcare Expenditure

According to the World Bank, expenditures for availing healthcare services by the Indian population amounted to approximately 4% of GDP in 2013. In the year 2013, India's nominal GDP was approximately ₹113 trillion; accordingly, the total healthcare expenditure in India during 2013 can be estimated at around ₹4.1 trillion (as per CRISIL Research Report). Healthcare services expenditure in India is estimated to have risen by close to 15% over the ten-year period from 2003 to 2013 (Source: CRISIL Research).

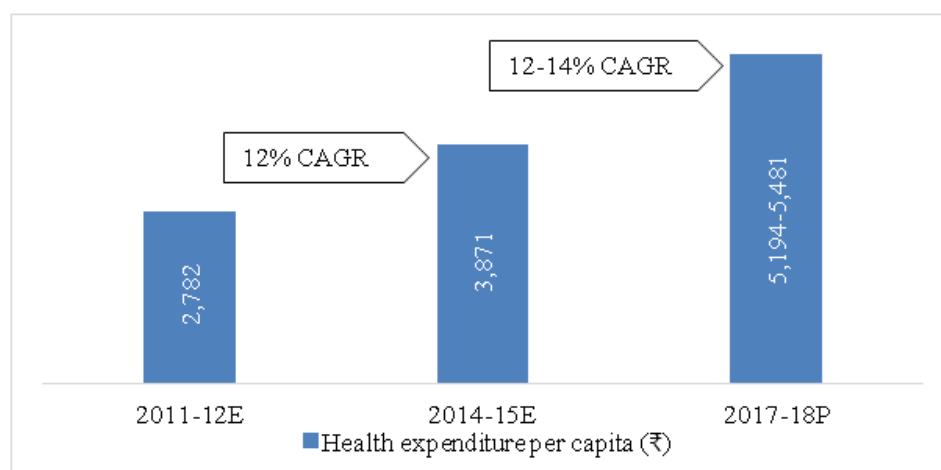
CRISIL Research estimates that the size of the Indian healthcare industry amounted to approximately ₹4.7-5.0 trillion (or US\$77-82 billion) in the fiscal year 2014-2015. Over the next three fiscal years, CRISIL Research estimates that the size of the Indian healthcare industry will grow at a CAGR of approximately 12-14% to reach ₹6.7-7.1 trillion (or US\$105-117 billion) in the fiscal year 2017-2018. The growth is expected to be driven by rising lifestyle-related diseases, higher penetration of healthcare services, increasing healthcare awareness and rising disposable income in India. (Source: CRISIL Research Report) The following graph sets out the estimated and projected size of the Indian healthcare industry for the fiscal years 2011-2012, 2014-2015 and 2017-2018:



Note: Data for 2011-2012, 2014-2015 is estimated; data for 2017-2018 is projected.

(Source: CRISIL Research Report)

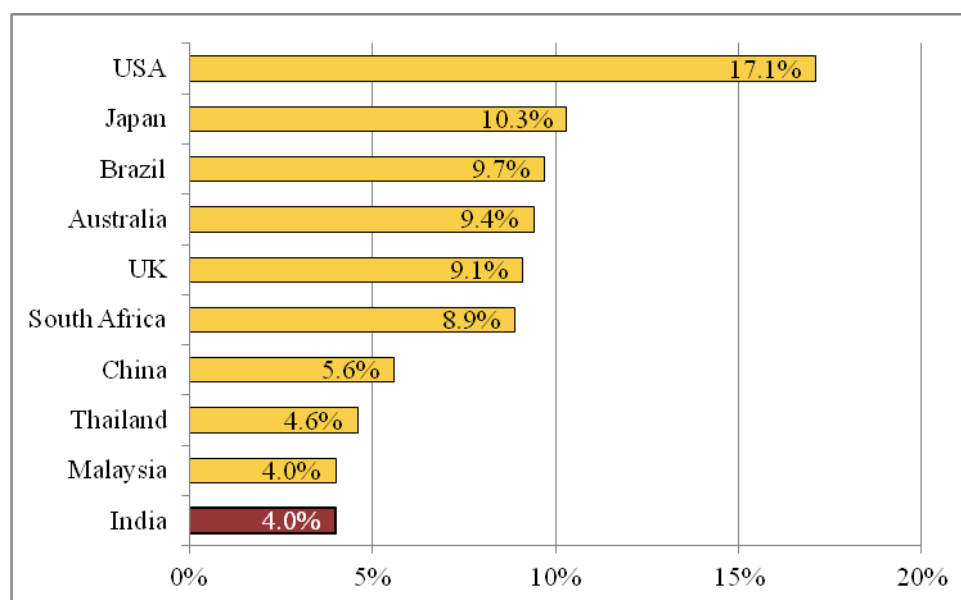
CRISIL Research estimates that per capita healthcare expenditure in India in the fiscal year 2014-2015 amounted to ₹3,871 (or US\$63). Over the next three fiscal years, CRISIL Research estimates that per capita healthcare expenditure in India will grow at a CAGR of approximately 10-12% to reach ₹5,194-5,481 (or US\$82.9-87.5) in the fiscal year 2017-2018. The following graph shows the estimated and projected per capita healthcare expenditure in India for the fiscal years 2011-2012, 2014-2015 and 2017-2018:



*Note: Data for 2011-2012 and 2014-2015 is estimated; data for 2017-2018 is projected.*

*(Source: CRISIL Research)*

When compared to certain other countries, healthcare in India remains underpenetrated. India trails not just developed countries such as the United States and the United Kingdom, but also developing countries, such as Brazil, China, and Thailand in terms of health care spending as a proportion of GDP. The following chart shows India's lag in terms of health care expenditure as against certain countries in 2013:



*(Source: The World Bank data files, data retrieved on December 2, 2015)*

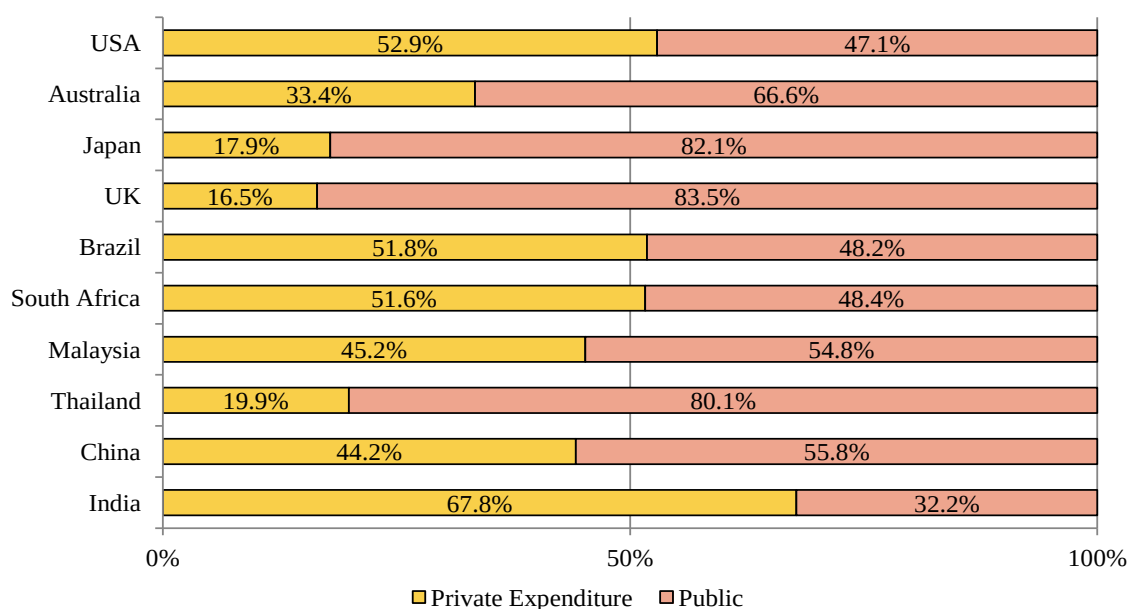
Under-penetration of the Indian healthcare industry is also evidenced by the low per capita healthcare expenditure in India. The following table sets out the per capita total healthcare expenditure on healthcare in purchasing-power-parity international dollars for certain countries in 2000 and 2013:

|                            | 2000       | 2013 |
|----------------------------|------------|------|
|                            | (PPP int.) |      |
| <b>Developed Countries</b> |            |      |

|                             | 2000       | 2013  |
|-----------------------------|------------|-------|
|                             | (PPP int.) |       |
| <b>USA</b>                  | 4,818      | 9,146 |
| <b>Australia</b>            | 2,255      | 4,191 |
| <b>Japan</b>                | 1,992      | 3,741 |
| <b>UK</b>                   | 1,833      | 3,311 |
| <b>Developing Countries</b> |            |       |
| <b>Brazil</b>               | 626        | 1,454 |
| <b>South Africa</b>         | 614        | 1,121 |
| <b>Malaysia</b>             | 378        | 938   |
| <b>Thailand</b>             | 241        | 658   |
| <b>China</b>                | 130        | 646   |
| <b>India</b>                | 89         | 215   |

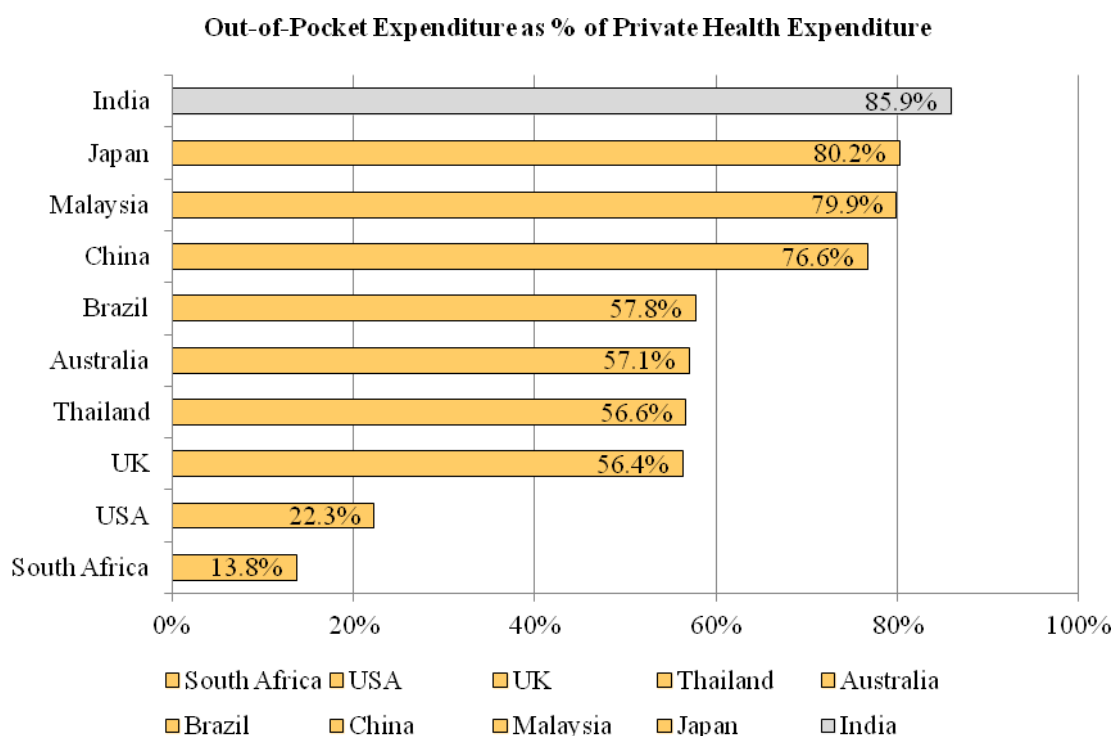
(Source: The World Bank, Health, Nutrition and Population Statistics, data retrieved on December 2, 2015)

According to CRISIL Research Report, a majority of India's healthcare expenditure is private as opposed to public. The share of the general government expenditure on healthcare in India has improved from 27% in 2000 to 32.2% in 2013 (on a percentage of total expenditure on health basis). However, as depicted by the following chart showing the breakdown of public and private healthcare expenditure for certain countries in 2013, India ranks lower than other developing countries, such as Brazil, Malaysia and China on general government expenditure on health:



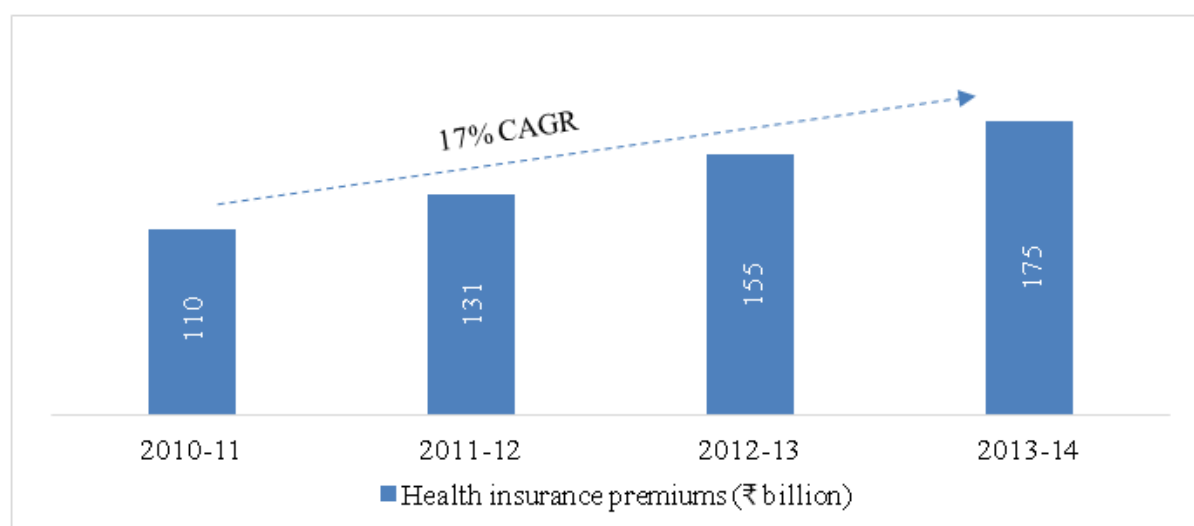
(Source: The World Bank data files, data retrieved on December 2, 2015)

In 2013, a significant portion of India's private healthcare expenditure was in the form of out-of-pocket expenditure, both on a percentage basis and as compared to other developing and developed countries:



(Source: The World Bank data files, data retrieved on December 2, 2015)

The penetration of health insurance in India has increased over the recent years, but remains low overall. Therefore, there is potential for growth in the health insurance sector. Insurance penetration is measured as the percentage of insurance premium to GDP. The following graph shows the increase in health insurance premiums received by insurance companies in India from 2011 to 2014:

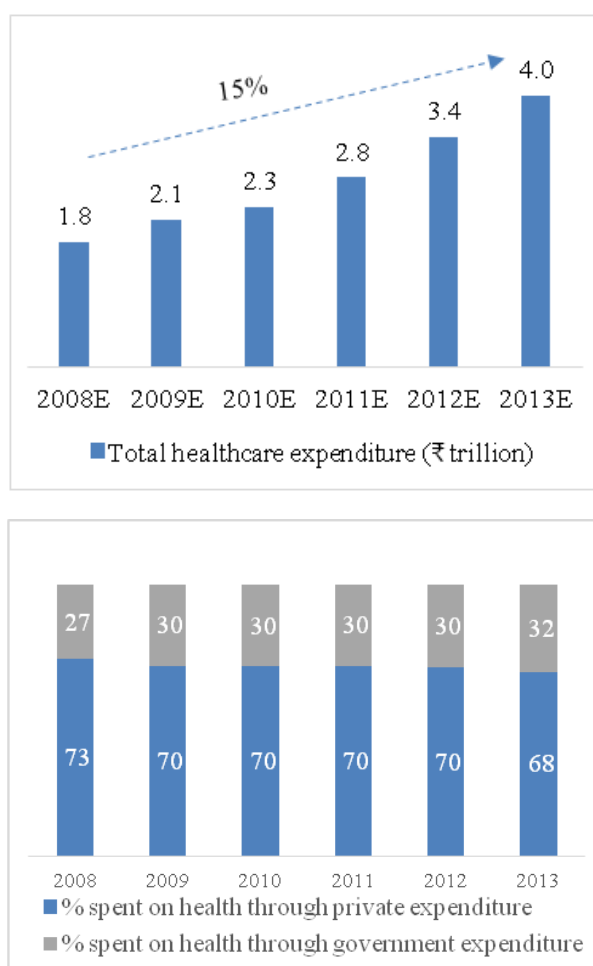


(Source: Insurance Regulatory and Development Authority of India, Annual Report 2013-2014)

#### *Drivers of healthcare expenditure in India*

As demonstrated by the below tables, total healthcare expenditure in India is driven primarily by private expenditure:





*Note: Healthcare expenditure data for 2008, 2009, 2010, 2011, 2012 and 2013 is estimated*

*(Source: CRISIL Research Report and The World Bank data files (numbers are rounded to the nearest trillion), data retrieved on December 2, 2015)*

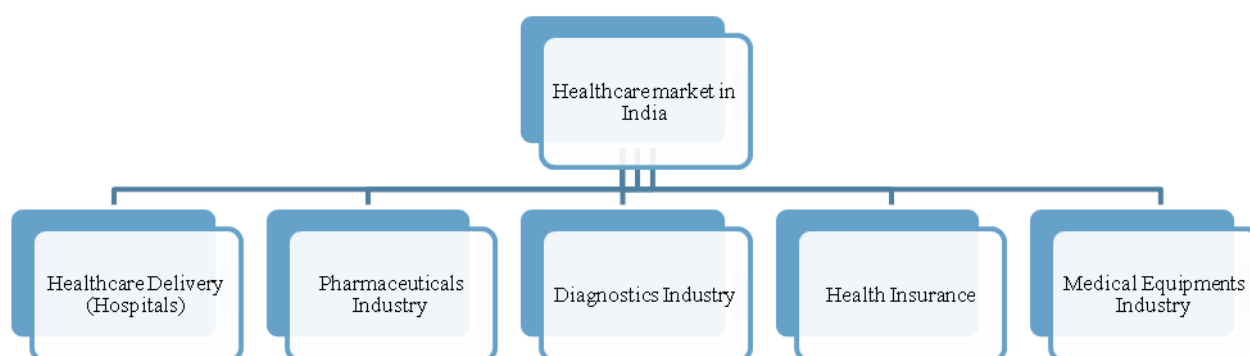
#### *Breakdown of the Indian Healthcare Industry*

According to CRISIL, the healthcare market in India broadly comprises the following:

- **Healthcare delivery market (Hospitals):** The Indian healthcare delivery market stands at ₹3,800 billion as of 2014-15.
- **Pharmaceutical industry:** The Indian pharmaceutical market which comprises the domestic demand for formulations stands at ₹ 746 billion as of 2014-15.
- **Diagnostics industry:** The Indian diagnostics industry currently stands at ₹ 377 billion as of 2014-15.

According to a report of the Insurance Regulatory and Development Authority, the health insurance premium market stands at ₹ 175 billion as of 2013-14.

#### *Structure of healthcare market in India*



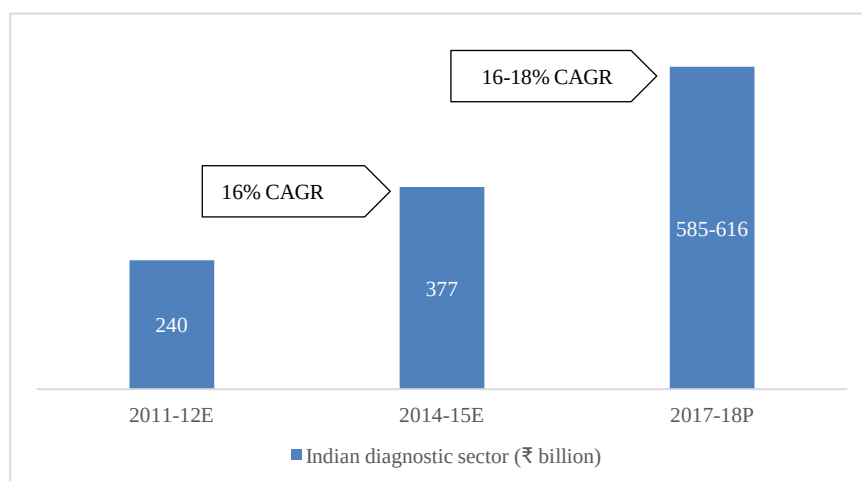
(Source: CRISIL Research Report)

As there exists a certain degree of overlap in terms of function and revenues among the segments, the same cannot be consolidated to arrive at the market size of the Indian healthcare market.

### Diagnostic Industry

#### Size of the Indian Diagnostic Industry

In India's healthcare industry, diagnostic services play the role of an information intermediary, providing useful information for the accurate diagnosis and treatment of patients' diseases. From the fiscal year 2011-2012 to the fiscal year 2014-2015, the Indian diagnostic industry grew at a CAGR of approximately 16% to approximately ₹ 377 billion (or US\$6.2 billion). For the next three fiscal years, it is estimated that the Indian diagnostic industry will grow at a CAGR of approximately 16-18% to reach ₹ 585-616 billion (or US\$9.3-9.8 billion) in the fiscal year 2017-2018. (Source: CRISIL Research Report) The following graph sets out the estimated and projected size of the Indian diagnostic industry for the fiscal years 2011-2012, 2014-2015 and 2017-2018:

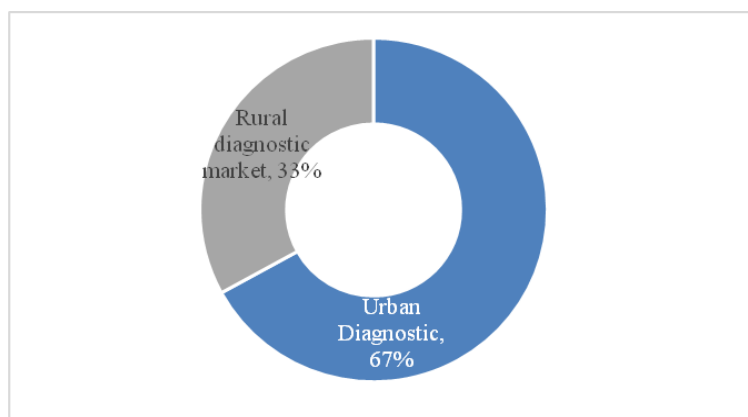


Note: Data for 2011-2012, 2014-2015 is estimated; data for 2017-2018 is projected.  
(Source: CRISIL Research Report)

#### Urban vs. Rural Demand

According to the CRISIL Research Report, the urban population accounted for only approximately 28% (according to CRISIL Research Report) of the entire Indian population in the fiscal year 2014-2015, but contributed to approximately 67% of the revenues of Indian diagnostic market. Urban centers, particularly metros, tier-I and tier-II cities, have better access to the healthcare delivery systems, including hospitals, clinics, and diagnostic centers. In addition, since the urban population has a higher disposable income, they can offer (and have a higher demand for) more advanced healthcare services and facilities, including consuming a greater number of diagnostic tests.

The following graph shows the contributions of urban and rural populations to the revenue of the Indian diagnostic market for the fiscal year 2014-2015:



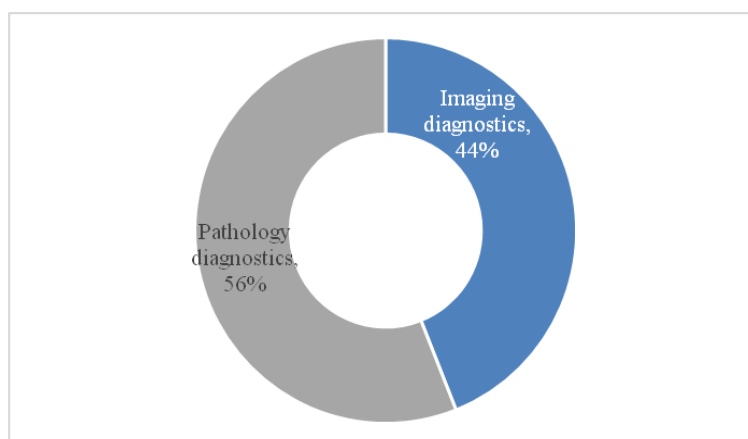
*Note: Estimated data.*

*(Source: CRISIL Research Report)*

#### *Pathology Testing vs. Imaging Diagnostic Services*

The diagnostic industry in India can be classified into pathology testing services and imaging diagnostic services. Pathology testing or invitro diagnosis involves the collection of samples, in the form of blood, urine, stool, etc., and analyzing them using laboratory equipment and technology to arrive at useful clinical information, in order to assist with treatment of patients' diseases. The pathology testing segment includes biochemistry, immunology, hematology, urine analysis, molecular diagnosis and microbiology. Imaging diagnosis or radiology involves imaging procedures such as X-rays and ultrasounds, which help mark anatomical or physiological changes inside a patient's body, in order to assist doctors to diagnose patient's disease. The imaging diagnostic segment also includes more complex tests, such as CT scans and MRIs, and highly specialized tests, such as PET-CT scans.

Pathology testing is often the preferred first line of diagnosis for a majority of diseases, and thus contributes to a major portion of the diagnostic industry. Given the high volumes of pathology testing conducted in India, pathology testing still accounts for more than half of the revenue of the Indian diagnostic industry, although the cost of imaging diagnostic services is often more expensive when compared to pathology testing. The pathology business is highly scalable as blood samples can be shipped to a remote, centralized location to achieve economies of scale. In contrast, imaging business operators have to install diagnostic equipment close to the patient. Imaging services cannot be centralized and, as a result, are difficult to scale up. The following chart shows the revenue breakdown of the Indian diagnostic industry by pathology testing and imaging diagnosis for the fiscal year 2014-2015:



*Note: Estimated data.*

*(Source: CRISIL Research Report)*

### ***Pathology Testing Services***

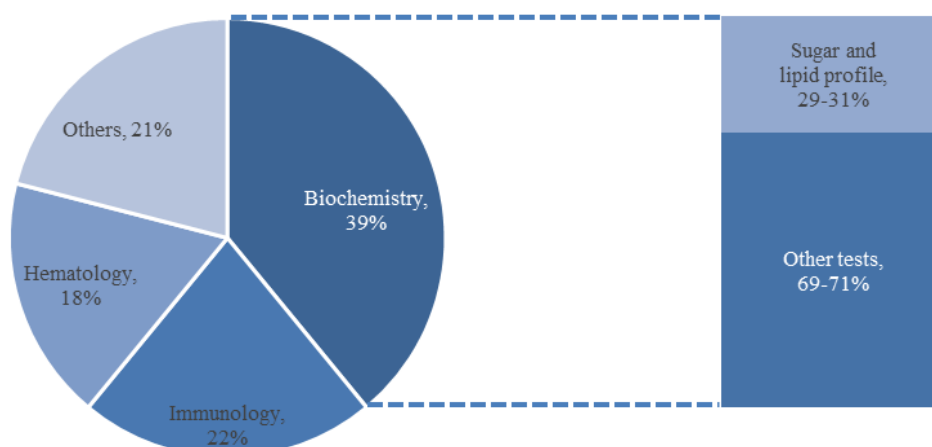
Pathology tests can be classified into three broad categories based on methods used and types of diseases targeted for investigation. The three broad categories are clinical pathology, anatomical pathology and molecular pathology. Clinical pathology tests are aimed at diagnosing diseases through the study of chemical and biochemical mechanisms of the human body, such as detecting changes in electrolytes and enzymes in the blood and body fluids samples to analyze for various diseases. Common clinical pathology tests include, among others, blood sugar level tests, lipid profiles, pregnancy tests, cholesterol tests and blood cell count tests. Clinical pathology can be further divided into the following major sub-segments:

| <b><u>Clinical pathology sub-segment</u></b> | <b><u>Type of diseases</u></b>                                                                                        | <b><u>Testing method</u></b>                                                                                                                                                          |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Biochemistry</b>                          | Mainly chronic diseases                                                                                               | Testing of chemical composition of body fluid samples and comparison to healthy samples to investigate for particular diseases or to analyze for general health condition of patients |
| <b>Immunology</b>                            | Diseases caused by an abnormal immune response, such as auto-immune diseases, immunodeficiency diseases and allergies | Measurement of the immune system through analysis of blood serum components such as total serum antibodies, circulating lymphocyte subsets, auto-antibodies, etc.                     |
| <b>Hematology</b>                            | Diseases affecting the blood of patients                                                                              | Testing of blood samples                                                                                                                                                              |
| <b>Microbiology</b>                          | Diseases caused by bacteria, viruses or fungi                                                                         | Culturing organisms from specimens, such as urines, feces and swabs. to identify pathogens                                                                                            |

Anatomical tests are aimed at diagnosing diseases, such as cancer, through microscopic study of organs and tissue samples. The tissue samples may consist of tissue obtained from any part of the human body using biopsy techniques, specimens of separated cells in fluids, or tissue smears.

Molecular tests analyze DNA and RNA to detect heritable or acquired disease-related genotypes, mutations, phenotypes or karyotypes. Molecular tests assist doctors to determine the severity of a disease, identify carriers and conduct clinical diagnoses or prognoses.

The following chart shows the breakdown of the three broad categories of pathology testing services by revenue for the fiscal year 2014-2015E:



*Note: Estimated data*

*(Source: CRISIL Research Report)*

## Chronic Diseases

According to the World Bank Health Nutrition and Population Statistics, India's disease profile has gradually shifted towards chronic diseases, such as cardiovascular diseases, diabetes and cancers. These chronic diseases, collectively called non-communicable diseases, have led to rising number of deaths for the Indian population in 2012 compared to lower contribution towards deaths in year 2000.

The following table sets out the leading causes of death in India in 2000 and 2012:

|                                                                    | Leading causes of death |      |
|--------------------------------------------------------------------|-------------------------|------|
|                                                                    | 2000                    | 2012 |
| Communicable diseases, maternal, prenatal and nutrition conditions | 40%                     | 28%  |
| Non-communicable diseases                                          | 48%                     | 60%  |
| Injuries                                                           | 12%                     | 12%  |

(Source: *The World Bank Health Nutrition and Population Statistics*, data retrieved on December 2, 2015)

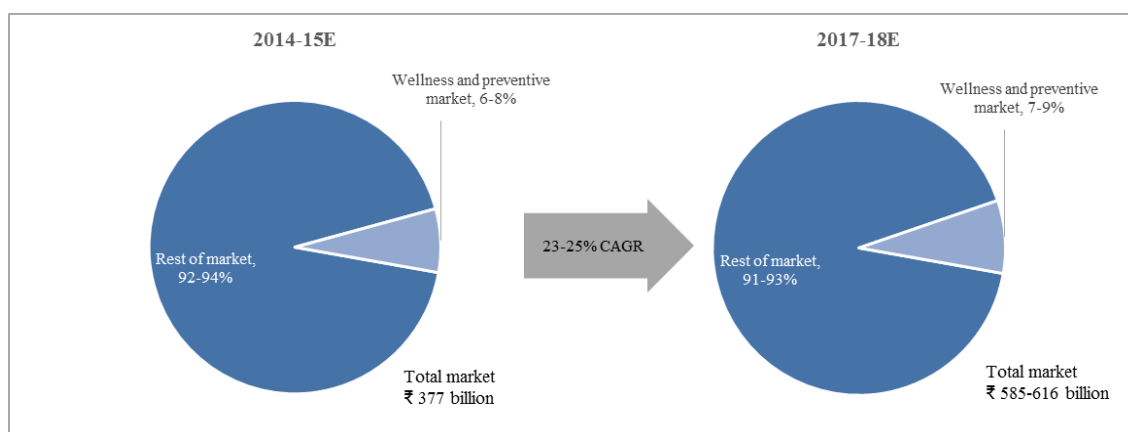
As India's disease profile gradually shifts towards chronic diseases, biochemistry tests for blood sugar, cholesterol and triglycerides, urea and creatinine, among others, are increasingly being prescribed by doctors to diagnose disease. For example, biochemical testing for blood sugar level helps to pinpoint the risk for diabetes, while tests for lipid profiles help to identify risks of cardiovascular disease. According to the CRISIL Research Report, it is estimated that testing for blood sugar and lipid profiles accounted for approximately 29-31% of the total revenue generated by the biochemistry testing segment in the fiscal year 2014-2015. Over the next three fiscal years, it is estimated that this sub-segment will grow at a faster rate than other biochemistry tests and it is expected that this sub-segment will contribute up to 30-32% of the entire biochemistry segment in the fiscal year 2017-2018.

Incidences of cancer have been steadily on the rise over the past decade in India. According to CRISIL Research, number of cancer incidences amongst the Indian population has been steadily rising by 3-4% each year. Currently, over two-thirds of cancer cases are detected at a late stage. (Source: *CRISIL Research*) It is expected that the use of accurate diagnosis technology, such as PET-CT scans, can help to improve early detection of cancers. A major factor discouraging the use of these diagnostic procedures is its high cost. The ability of diagnostic service providers to offer diagnostic procedures at competitive rates will be a key determinant in the growth of this segment.

## Wellness and Preventive Diagnostic Services

Wellness and preventive diagnostic services are aimed at identifying pre-existing diseases or the likely risk of particular diseases before the onset of actual symptoms. It is expected that wellness and preventive diagnostic services will assist people to more accurately identify risks so that they can take corrective or precautionary measures before any chronic condition substantiates. The majority of wellness and preventive tests is aligned to either specifically screen for a chronic disease or contain a series of tests to ascertain the overall health condition of an individual. According to CRISIL Research Report, a majority of these wellness and preventive tests consists of biochemistry tests to screen for an individual's risk of chronic diseases, such as cardiovascular diseases, diabetes and cancers. Some diagnostics service providers also offer basic imaging services, such as X-rays and ultrasounds, in addition to pathology testing services.

The CRISIL Research Report estimates that the wellness and preventive diagnostic services segment accounted for approximately 6-8% of the aggregate diagnostic services market in the fiscal year 2014-2015. It is expected that this segment will grow at a CAGR of close to 25% over the next three fiscal years. The following graphs set out the estimated contribution of the wellness and preventive diagnostic services segment to the overall diagnostic industry in the fiscal year 2014-2015 and its expected contribution in the fiscal year 2017-2018.



Note: Data for 2014-2015 is estimated; data for 2017-2018 is projected.

(Source: CRISIL Research Report)

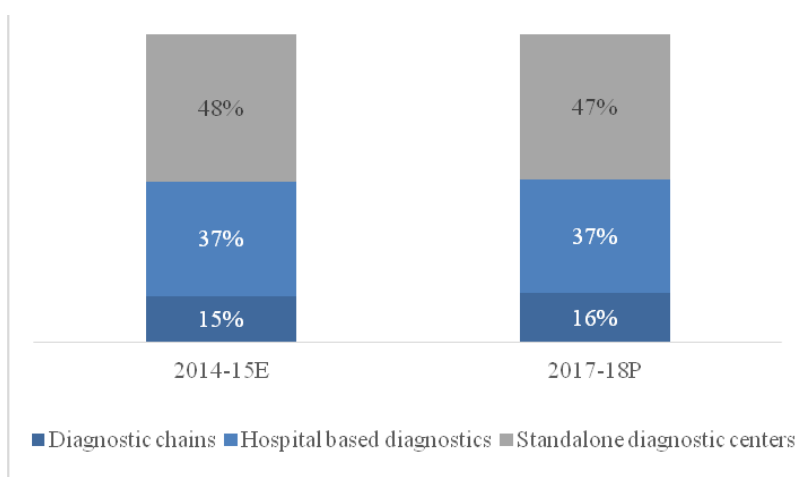
### Organized vs. Unorganized Category

Historically, the diagnostic industry has been dominated by standalone diagnostic centers and hospital-based diagnostic services. Standalone diagnostic centers are diagnostic centers with a single laboratory/center. Hospital-based diagnostic services include all diagnostic procedures carried out at the hospital for patients who are either admitted as an in-patient or are treated as an out-patient of the hospital.

Over time, the absence of stringent regulations and the low-entry barriers have contributed to the establishment of a number of standalone diagnostic centers and a relatively fragmented market. Standalone centers usually carry out basic tests, which require minimal investments and physical space. In 2014-2015, approximately 48% of the revenue generated by the diagnostic industry was contributed by standalone diagnostic centers. Since a large number of hospitals in India are unorganized, CRISIL has categorized both hospital-based diagnostic laboratories (labs) and standalone centers as being part of the unorganized diagnostic segment of the India diagnostic industry.

Diagnostic chains, which constitute the organized market, have emerged in recent years. The CRISIL Research Report defines the organized market as constituting diagnostic service providers that offer pathology and imaging services and operate out of more than one center, with large chains that have a pan-India presence. These players adopt the hub and spoke model of business operations and utilize modern logistics and information management systems to operate their network. According to the CRISIL Research Report in 2014-15, the share of diagnostic chains in the overall diagnostic market in India was approximately 15%. It is expected that the share of diagnostic chains in the overall diagnostic market in India will grow at a CAGR of approximately 21-23% to reach 16% in the fiscal year 2017-2018.

The following graphs show the estimated and projected breakdown of revenue contribution of different operating models of diagnostic centers in India in the fiscal year 2014-2015 and the fiscal year 2017-2018:



*Note: Data for 2014-2015 is estimated; data for 2017-2018 is projected.*

*(Source: CRISIL Research Report)*

Diagnostic chains can be further categorized into large pan-India chains and regional chains. Currently, there are approximately seven large diagnostic chains in India, based on their revenues (Source: publicly available revenue figures from companies). These chains had an estimated 35-40% of the diagnostic chains market share in the fiscal year 2014-2015. Regional chains are diagnostic chains with centers concentrated in a single city or state in India. Regional chains had approximately 60-65% of the diagnostic chains market share in India in the fiscal year 2014-2015. In the fiscal year 2017-2018, it is expected that pan-India diagnostic chains will grow to about 37-42% of the diagnostic chains market share. *(Source: CRISIL Research)* The following graphs show the breakdown of the revenue contribution of pan-India diagnostic chains and regional diagnostic chains in India for the fiscal year 2014-2015 and the fiscal year 2017-2018:



*Note: Data for 2014-2015 is estimated; data for 2017-2018 is projected.*

*(Source: CRISIL Research)*

According to the CRISIL Research Report, there are only a limited number of large pan-India diagnostic chains in the country. Amongst these, the four leading pan-India diagnostic chains (in terms of revenue) are (in alphabetical order) Dr Lal Pathlabs, Metropolis Healthcare, SRL Diagnostics and Thyrocare Technologies. The following table sets forth certain information of the four leading pan-India diagnostic chains identified by CRISIL Research in India as at December 2015 (in alphabetical order):

| <u><b>Diagnostic chain</b></u> | <u><b>Type of tests</b></u>    | <u><b>International Presence</b></u>                                                  | <u><b>Domestic Presence</b></u>                                                                                       | <u><b>Accreditations</b></u> | <u><b>EBITDA Margins</b></u> | <u><b>ROCE</b></u> |
|--------------------------------|--------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|--------------------|
| <b>Dr Lal Pathlabs</b>         | Pathology and imaging          | Oman, Saudi Arabia, Kuwait, Nepal, Malaysia, Bangladesh, Qatar                        | Pan-India                                                                                                             | NABL, ISO, CAP, CDC(USA)     | 28%                          | NA                 |
| <b>Metropolis Healthcare</b>   | Pathology                      | UAE, Sri Lanka, South Africa, Kenya, Mauritius, Ghana                                 | Pan-India                                                                                                             | NABL, ISO, CAP, CLIA (USA)   | 29%                          | 26%                |
| <b>SRL Diagnostics</b>         | Pathology and imaging          | Dubai, Sri Lanka, Nepal, Africa, Middle-East, Hong Kong, Maldives and SAARC countries | Pan-India                                                                                                             | NABL, ISO, CAP, ICAL, APLAC  | 18%                          | NA                 |
| <b>Thyrocare Technologies</b>  | Pathology and nuclear imaging* | Nepal, Bangladesh, Gulf                                                               | Pan-India coverage through 1,222 authorised service providers covering 483 cities and 28 states and Union Territories | ISO, CAP, NAGL               | 47%                          | 33%                |

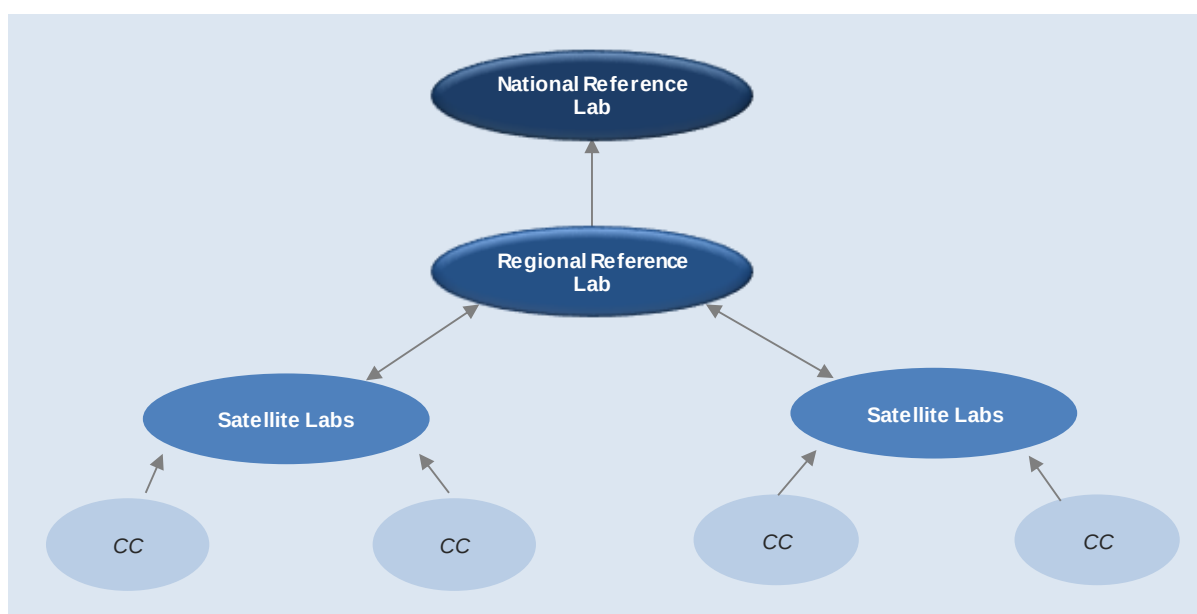
*\*Nuclear imaging consists of highly-specialised tests, such as PET\_CT scans, which are used to provide high accuracy diagnosis of diseases such as cancer. Thyrocare Technologies offers advanced PET-CT scans through its subsidiary, Nuclear Healthcare which owns and operates medical cyclotrons and PET-CT scanners.*

*Note: NA- Not available, EBITDA and ROCE is for financial year 2013-14*

*(Source: Company filings, CRISIL Research Report)*

According to CRISIL Research Report, diagnostic chains are able to benefit from resource allocations, economies of scale and standardized testing procedures. They enjoy higher bargaining power with suppliers, which enables them to maintain lower operating costs when compared to standalone diagnostic centers. Due to the size of their operations, they are able to offer more complex as well as a greater range of tests than standalone diagnostic centers. Diagnostic chains mainly adopt the hub-and-spoke model to extend their catchment area. The components of a hub-and-spoke model typically include a national reference lab, regional or reference lab, satellite labs and collection centers.

#### *Hub and spoke model*



*(Source: CRISIL Research Report)*

**National reference lab:** The national reference labs are located centrally, usually in a large metropolitan area and typically serve as the corporate headquarters of diagnostic chain companies. The national reference labs are equipped to conduct both routine and specialized pathology and imaging tests. They may be spread over an area of 2,000-3,000 square feet, usually divided into a work area, front office, back office and sample collection area. Typically, all operations between the national reference lab and its spokes are centrally coordinated through a central-server applied Laboratory Information Management System (LIMS). LIMS offers customized Enterprise Resource Planning (ERP) solutions for diagnostic lab companies, which help manage patient information and laboratory services. Reports generated by the regional/ national reference labs are sent to patients via the collection centres/ satellite lab or can be viewed online. The usual turnaround time for a national reference lab for report generation ranges from a few hours (for routine tests such as blood analyses and sugar tests) to two to four days, depending upon the type of test being carried out.

**Regional reference labs:** Regional reference labs are situated in large metropolitan cities and act as regional hubs, which accumulate samples from satellite labs and collection centers across the country. Like national reference labs, regional reference labs also offer comprehensive and specialized testing facilities.

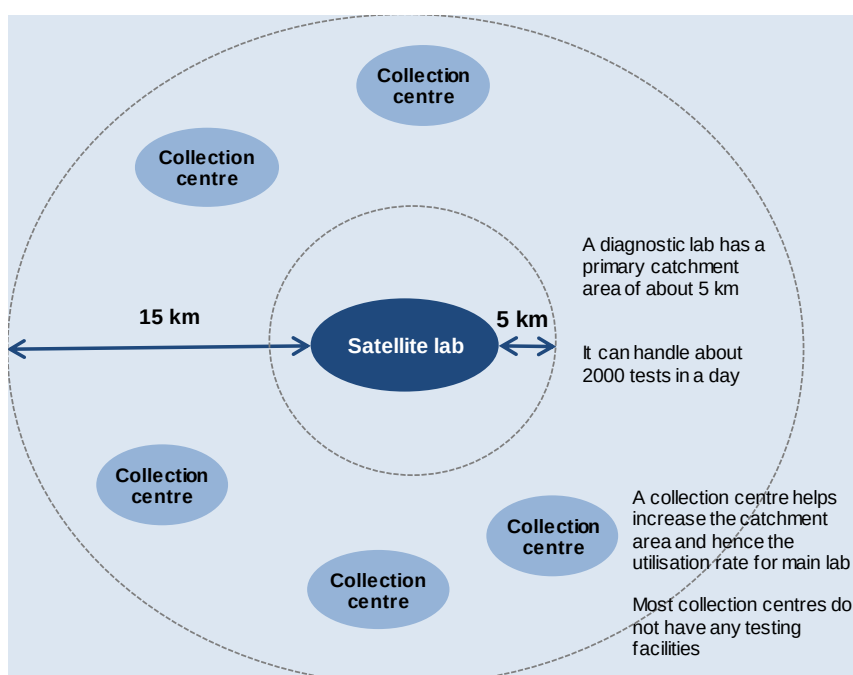
**Satellite labs:** Satellite labs offer a limited range of services. They mainly act as feeders for regional reference labs and national reference labs. Based on the complexity of the test, a satellite lab may choose to transfer samples to regional reference lab or national reference lab (whichever is nearer). Satellite labs may be either owned or franchised by a diagnostic chain company.



Collection centers: Collection centers are located in hospitals, nursing homes, pathology labs, doctors' clinics, prime commercial properties and retail spaces among other places. Collection centers may be company-owned or franchised. A franchisee usually pays a franchise fee, around ₹ 30,000-50,000, to get the license to operate a collection center for the satellite lab. Collection centers do not carry out any testing, and are involved only in the collection and forwarding of patient samples to a satellite or reference lab. The centers usually have basic equipment in the form of a refrigerator and centrifuge, and employ minimal staff, such as a receptionist, lab technician, attendants and delivery staff.

### ***Functioning of the hub-and-spoke model***

Diagnostic chains use modern logistics and Information Technology (IT) systems to create a network, which increases the reach of their reference labs. A diagnostic chain consists of a national reference lab connected to collection centers (owned and/or franchised) and other reference and satellite labs. A typical satellite lab is usually able to cater to a catchment area with a two to five km radius. The reach of the satellite lab expands to 15-20 km radius as collection centers act as spokes (a collection center is usually able to cater to an area with a three to five km radius).



*(Source: CRISIL Research Report)*

### **Market Drivers**

#### **Demand-Supply Gap**

According to The World Bank Health Nutrition and Population Statistics (2011), the ratio of beds to patients in India was approximately 0.7 per 1,000 people, while for developed countries such as USA and UK it was nearly 2.9 beds per 1,000 people. Even for other countries such as Brazil and China, this ratio was close to 2.3 and 3.8 beds per 1,000 people (year 2011). Thus India's healthcare infrastructure lags behind many of the developed and developing countries in the world. According to CRISIL Research Report, given the low penetration of healthcare facilities in India and the trend of increasing healthcare demand, there is a substantial growth potential for the healthcare industry, including the diagnostic sector.

#### **Shift in Disease Profiles**

With rising income levels and changing lifestyles, the disease profile in India is shifting away from infectious diseases and towards chronic or lifestyle diseases, such as cardiovascular diseases, diabetes and cancers. According to the statistics published by the World Bank, cardiovascular diseases, diabetes and cancers and other chronic diseases were collectively responsible for 60% of deaths amongst the Indian population in 2012, as compared to approximately 48% of deaths in 2000. The increase in chronic diseases has resulted in increased

demand for diagnostic tests, including biochemistry diagnostic tests for blood sugar, cholesterol and lipid profiles.

In addition to the foregoing factors, rising literacy levels of the Indian population have enhanced overall knowledge of chronic diseases and their increasing prevalence in recent years. The Indian population's awareness to take wellness and preventive actions to identify pre-existing diseases or likely risks from particular chronic diseases is on the rise. As a result, an increase in wellness and preventive diagnostic services is expected to contribute to the growth of the diagnostic services industry.

### **Increase in Health Insurance Coverage**

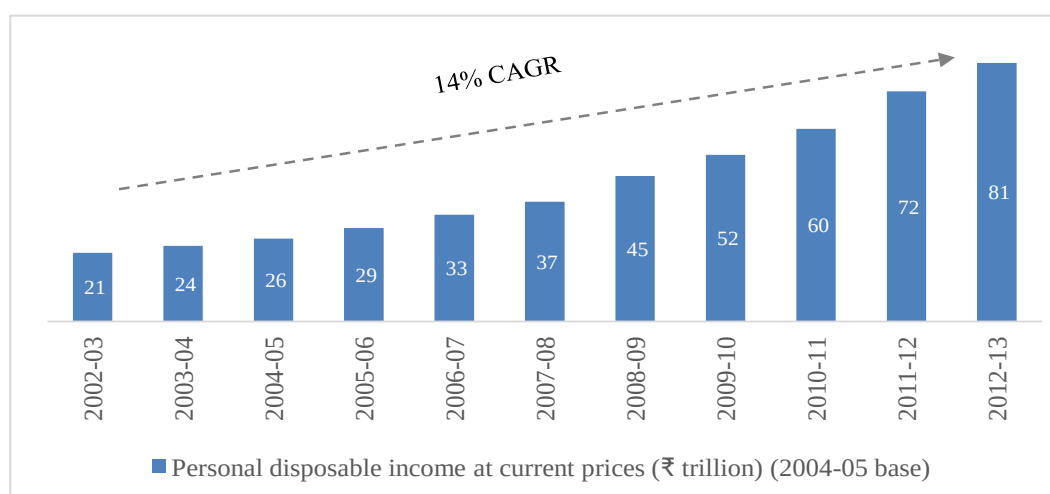
In 2013, over 86% of India's private expenditure on healthcare was met through out of pocket expenditure (Source: The World Bank, Health Expenditure data). In 2013-14, only about 17% of the Indian population subscribed to health insurance (Source: CRISIL Research Report). The current penetration rate of health insurance in India is very low. Any increase in the penetration rate of health insurance in India is likely to contribute to the demand for healthcare services, particularly hospitalization rates, resulting in an increased demand for diagnostic services.

### **Emerging as Medical Tourism Destination**

Medical tourism has gained momentum over recent years and India is emerging as a major medical tourism destination, primarily due to its competitive rates for healthcare services as compared to other developed countries. In addition, India offers advanced medical facilities in areas such as cardiology, joint replacement, orthopedics, ophthalmology, organ transplants and urology. According to a report published by the Associated Chambers of Commerce and Industry of India, the number of medical tourists visiting India in 2013 was approximately 2,500,000. It is expected that the number of medical tourists visiting India will increase to approximately 4,500,000 by 2015, according to the same report. (Source: CRISIL Research Report) The increase in medical tourists is likely to increase demand for healthcare services, including diagnostic services, in India.

### **Rising Income Levels Make Quality Healthcare Services More Affordable**

Rising income levels for the Indian population are expected to improve affordability of healthcare services, leading to further demand growth for healthcare services. The personal disposable income for the Indian population has grown an average of 14% each year over the ten-year period ending fiscal year 2012-2013 (Source: Reserve Bank of India), and it is expected that this growth will continue in the future. These factors will likely help sustain demand for healthcare services and translate into healthy growth in the diagnostic services industry.



(Source: Reserve Bank of India, data for fiscal year)

## **Developing Trends**

### **Network Expansion**

When compared to standalone diagnostic centers, diagnostic chains operating on a hub-and-spoke business model benefit from economies of scale and a higher bargaining power. To gain a competitive edge, it is expected that diagnostic chains will expand their network through the addition of more satellite labs and/or collection centers. A wider network resulting in a higher volume of samples will help diagnostic chains to achieve greater economies of scale and maintain lower operating costs.

To complement an expansion in physical network, it is expected that diagnostic chains will seek to improve their logistics networks to improve their turnaround time and ensure the quality and accuracy of test results by performing the testing procedures prior to the expiration of samples.

### **Emphasis on Doctor Referral Network**

According to the CRISIL Research Report, more than half of the revenue of the diagnostic industry is contributed by doctor referrals, with the balance coming from patient walk-ins and corporate customers. For advanced diagnostic tests such as sonographies, X-rays, MRI or CT Scans, doctor referrals contribute to an even greater share of customers. Accordingly, a strong doctor referral network is one of the keys to increasing revenue of diagnostic centers. To increase revenue, diagnostic centers are expected to continue to build up doctor referral networks, in particular for diagnostic chains expanding their network in new regions or areas.

### **Emphasis on Brand Building**

Other than referrals by doctors, diagnostic centers can increase revenue by increasing patient walk-ins. In order to increase patient walk-ins, it is important that diagnostic chains have a recognized and quality brand name. To do so, diagnostic chains are launching advertising campaigns, healthcare camps and various wellness and preventive test packages under their own brand. Accordingly, diagnostic centers, particularly diagnostic chains, are expected to continue to promote their brand images and build on customer awareness through various marketing initiatives.

Quality and timely services are also essential to maintaining a reputable brand image. The quality of lab equipment, testing reagents, and employ of qualified pathologists and radiologists at diagnostic centers contribute to the quality and accuracy of test results. It is expected that diagnostic centers will continue to improve the quality of equipment and enhance quality control procedures to ensure the quality and accuracy of their test results.

## **Regulatory Framework Governing the Sector**

### ***Lack of a comprehensive and stringent regulatory framework***

The diagnostic industry in India lacks a stringent and comprehensive regulatory framework. As such, the Clinical Establishment (Registration and Regulation) Act 2010 aims to bring under its ambit all diagnostic centers and laboratories through registrations of such centers with the respective State Council for Clinical Establishments. The Act, implemented through the National Council for Standards, also aims to provide guidance on the minimum standards of facilities and services which should be provided by diagnostic centers and laboratories to improve public health. The Act has so far taken effect in four states, Arunachal Pradesh, Himachal Pradesh, Mizoram, Sikkim, and all Union Territories since March, 2012. The states of Uttar Pradesh, Rajasthan and Jharkhand have adopted the Act under clause (1) of article 252 of the Constitution. The centers would be punished with a definite monetary penalty for a violation of any provision of this Act.

Another major approval needed to set up a diagnostic center is a license from the municipal corporation under the Shop Establishment Act. Additionally, diagnostic centers also have to register with the Pollution Control Board, which monitors the regular and proper disposal of bio-medical waste.

Imaging centers additionally have to adhere to regulations under the Pre-Natal Diagnostic Techniques Act ("PNDT") for operating ultrasound machines. Centers also need to adhere to the Atomic Energy Regulatory Board ("AERB") guidelines for setting up CT, MRI and X-ray equipment.

### **Mandatory licenses and regulations**

| S. No. | Name of licenses and regulations          |
|--------|-------------------------------------------|
| 1      | Shop establishment license                |
| 2      | Pre-natal diagnostic technique act        |
| 3      | Atomic Energy Regulatory Board guidelines |
| 4      | Pollution control board                   |
| 5      | Clinical Establishment Act, 2010          |

### **Voluntary accreditations**

| S. No. | Name of licenses and regulations                                             |
|--------|------------------------------------------------------------------------------|
| 1      | National Accreditation Board for Testing and Calibration Laboratories (NABL) |
| 2      | College of American Pathologists (CAP) Laboratory                            |
| 3      | International Organisation for Standardization (eg ISO 15189)                |

Diagnostics centers can also obtain accreditation, which is a voluntary process wherein an authorized agency or organization, such as the National Accreditation Board for Testing and Calibration Laboratories (“NABL”), evaluates and recognizes the diagnostic centers’ services according to a set of standards. NABL, which is an autonomous body under the Ministry of Science and Technology, is the sole accreditation body in India that assures the accuracy, reliability and conformity of test results. Other main accreditations include the College of American Pathologists (CAP) laboratory accreditation and certifications from International Organization for Standardization (ISO). The CAP is an internationally-recognized program that offers an accreditation service to help medical laboratories obtain the ISO 15189 certification.

### **CRISIL Research Report**

We commissioned CRISIL Limited, an independent, integrated research consultant, to conduct an analysis of, and to report on, the diagnostic industry in India in general.

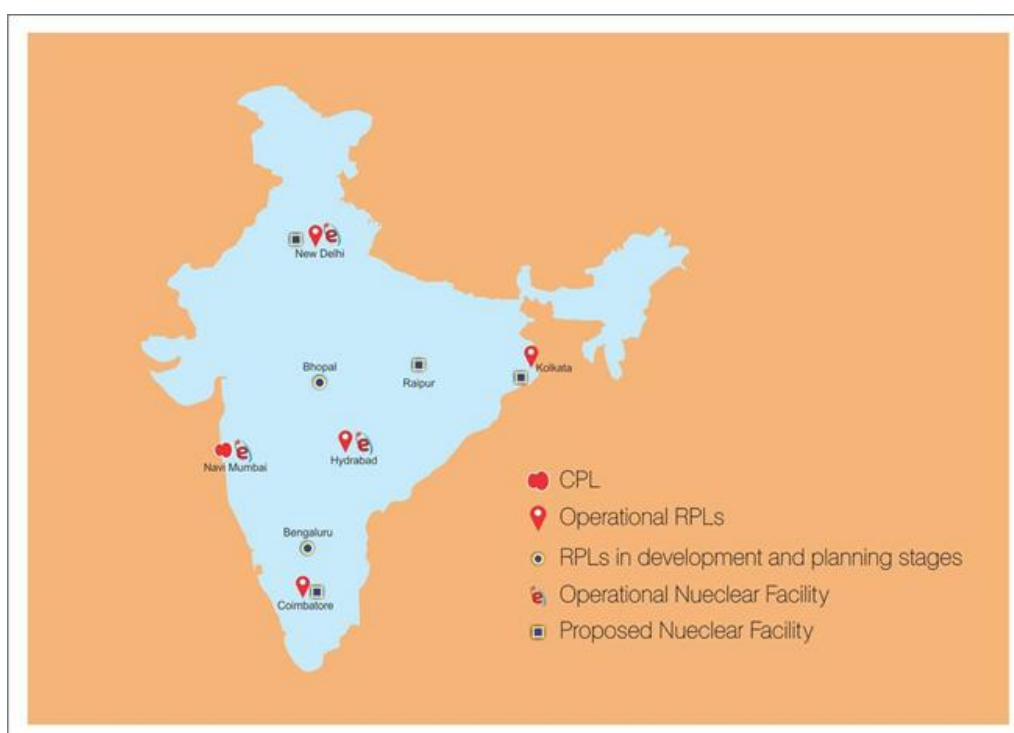
CRISIL Limited’s independent research was undertaken based on both primary as well as secondary sources. Primary sourcing involved interactions with diagnostic companies to understand the business dynamics. Secondary research involved reviewing company reports, WHO statistics, NSSO statistics, opinions of industry experts as well as CRISIL Limited’s own information archives. The research report was drafted based on the information CRISIL Limited deemed reasonable.

## OUR BUSINESS

### Overview

We are one of the leading pan-India diagnostic chains and conduct an array of medical diagnostic tests and profiles of tests that center on early detection and management of disorders and diseases. As of November 30, 2015, we offered 192 tests and 54 profiles of tests to detect a number of disorders, including thyroid disorders, growth disorders, metabolism disorders, auto-immunity, diabetes, anemia, cardiovascular disorders, infertility and various infectious diseases. Our profiles of tests include 17 profiles of tests administered under our “Aarogyam” brand, which offers patients a suite of wellness and preventive health care tests. We primarily operate our testing services through a fully-automated CPL and have recently expanded our operations to include a network of RPLs. Since the opening of the RPLs in 2015, we have seen an increase in the volume of tests that we have conducted from a daily average of approximately 95,610 in Fiscal 2014 to approximately 131,073 in Fiscal 2015 and approximately 165,672 in the six months ended September 30, 2015. Through our wholly owned subsidiary, NHL, we operate a network of molecular imaging centers in New Delhi, Navi Mumbai and Hyderabad, focused on early and effective cancer monitoring.

The locations of each of our services and operations are depicted by the map below:



Our CPL, which is located in Navi Mumbai, is equipped with automated systems, diagnostic testing instruments and processes from leading international and Indian healthcare brands. The CPL is fully automated and driven by a barcoded and bi-directionally-interfaced system and an LIS. The CPL meets international standards of quality and has received global accreditations from CAP, the NABTCL and the ISO.

We commenced setting up RPLs in 2014 and opened four RPLs in 2015, one in each of New Delhi, Coimbatore, Hyderabad and Kolkata, which process samples sourced from their respective regions. The diagnostic services offered at the RPLs do not encompass the entire range of tests we offer, but primarily constitute routine tests conducive to high volume testing, including thyroid tests, profiles of tests offered under the Aarogyam brand and liver and kidney function tests. Such samples are sent to the RPLs if they are collected proximate to an RPL, such that directing the sample to the RPL requires less time and transportation costs than directing the sample to the CPL. By routing these tests to such RPLs, the resources of the CPL can be utilised to process the additional samples generated by our pan-India network of authorized service providers that are not proximate to an RPL. In order to further expand our offering of tests, we are now using the CPL to test new technology and develop innovative testing. For example, in Fiscal 2015, we explored new specialized testing techniques such as cytogenetic testing, water testing and the development of new tests based on mass spectrometry.

To further grow our business and volumes of samples processed by us, we intend to expand our network of RPLs to a greater number of cities across India. For example, we are currently in the advanced stages of setting up an additional RPL in Bhopal and are in the planning phase of setting up a RPL in Bengaluru. We plan on targeted expansion of our network by continuing to establish RPLs in locations with close proximity to rail or road networks and in markets that are expected to generate high volumes of samples.

We collect samples through a pan-India network of authorized service providers comprised of TAGs and TSPs, which operate under franchise agreements with us. As of November 30, 2015, we had a network of 1,122 authorized service providers, comprised of 878 TAGs and 244 TSPs spread across 483 cities and 28 states and union territories. Our wide spread network of authorized service providers has enabled us to expand the reach of the CPL and RPLs, thereby providing us with access to a larger customer base. Our authorized service providers collect samples from local hospitals, laboratories, diagnostic centers, nursing homes, clinics and doctors. Our TSPs are also authorized to draw samples directly from patients referred to them by doctors, from patients that are procured by them or referred to them by us or our direct sales associates and from patients' homes, as part of our home collection services. Authorized service providers also receive samples through our OLC, which allows persons or organizations with sample collection capabilities to outsource the processing of samples by placing an order at <https://www.thyrocare.com/wellness/> and delivering samples to the nearest authorized service provider. Authorized service providers either deliver samples directly to one of the RPLs or, if the sample is to be processed at the CPL, to one of our 27 hub locations, where samples are aggregated and transported directly to the CPL.

Through NHL, we are developing a growing network of molecular imaging centers, which focuses primarily on early and effective cancer monitoring. Each of our imaging centers use PET-CT scanners to assist in cancer diagnosis, staging, monitoring of treatment, and efficacy and evaluation of disease recurrence. We currently have five operating PET-CT scanners in our three imaging centers: two in Navi Mumbai, two in New Delhi and one in Hyderabad, and intend to open imaging centers in both Kolkata and Raipur. NHL also owns and operates a medical cyclotron unit in Navi Mumbai, which produces the radioactive bio-marker FDG required for PET-CT scanning, which it acquired from the Company in March 2015 on a going concern basis, pursuant to a Slump Sale Agreement and addendum slump sale letter agreement dated September 29, 2015. For further details, see the section entitled "*History and Certain Corporate Matters*" on page 147. The cyclotron unit generates FDG used by our PET-CT scanners in Navi Mumbai and New Delhi as well by third party PET-CT imaging centers. We currently meet the FDG requirements for our Hyderabad PET-CT scanners from third parties in Hyderabad in order to optimize cost and time efficiencies.

We believe we have developed a platform of affordable diagnostic services and are in a position to further develop our services and enhance our test offerings. As an example, over the last few Fiscal years, we have acquired equipment for the testing of water samples and are operating such equipment under the brand "WHATERS". WHATERS currently conducts the following tests: physical and chemical testing, elements testing, microbiology testing, pesticide testing and volatile organic compounds testing. As another example, through the brand Sugar Scan, we offer a sugar scan blood glucose monitor, which is one of the simplest ways for patients to instantly determine their blood glucose levels at an affordable cost. We are also in the process of setting up TMC, which is intended to be a nation-wide branded metabolic clinic for individuals with chronic illnesses or who plan to undergo a healthcare procedure.

Our performance is highlighted by our operational and financial information provided below:

- Our diagnostic test volumes grew at a CAGR of close to 38% over the past three Fiscals from 25,027,132 tests conducted in Fiscal 2013 to 47,841,710 tests conducted in Fiscal 2015. We conducted 30,317,913 diagnostic tests in the six months ended September 30, 2015.
- The PET-CT scans performed by NHL grew from 34 scans in Fiscal 2013 to 2,348 scans in Fiscal 2014 to 11,173 scans in Fiscal 2015.
- Our standalone revenues from operations, as restated, grew at a CAGR of close to 15.8% over the past three Fiscals from ₹1,342.61 million in Fiscal 2013 to ₹1,800.76 million in Fiscal 2015. Our standalone revenues from operations, as restated, was ₹1,144.14 million, for the six months ended September 30, 2015.
- Our consolidated revenues from operations, as restated, was ₹1,829.58 million in Fiscal 2015 and ₹1,192.60 million, for the six months ended September 30, 2015.

The Company's and NHL's Restated Consolidated Summary Financial Statements, Restated Standalone Summary Financial Statements and the Restated Financial Statements, have been disclosed in the section entitled "Financial Statements" on page 176.

## Competitive Strengths

Our key competitive strengths are:

### ***Portfolio of specialized tests with an emphasis on wellness and preventive healthcare***

We offer a wide range of biochemistry based and preventive healthcare related tests, which allows us to cater to the differing needs of our patients. We believe our tests are relevant to various age groups, segments of customers and customer preferences, as our portfolio of tests includes those for prenatal screening, hormonal imbalances, nutritional deficiencies and tracking lifestyle disorders. Moreover, our current portfolio of tests has evolved over the span of our operations. In the early years of our business, we focused on offering tests specific to thyroid testing. We have since expanded our offering to include 192 tests and 54 profiles. The evolution of our test offerings is demonstrative of our ability to successfully develop and grow our product offering.

In recent years, our focus has been on the development of a wide range of tests and profiles in the fast growing segment of wellness and preventive healthcare. According to the CRISIL Research Report, this segment is expected to grow at a CAGR of close to 25% over the next three years. For further details, see the section entitled "Industry Overview" on page 98. Under the brand 'Aarogyam', our profiles of tests are packaged to appeal to a broad base of customers' needs. We have engineered our profile offerings to increase the number of tests per sample and therefore increase our average revenue per sample. For example, our most basic profile, Aarogyam 1.1 includes 30 tests, and the most complex, Aarogyam 1.7, includes 86 tests, including those offered under the toxic elements, arthritis, pancreas, electrolytes and vitamin profiles. Our "profile of profiles" package bundles together several profiles of tests including liver, cholesterol, kidney and thyroid profiles. Our revenue derived from our preventive diagnostic and wellness offerings has increased from approximately 41% in Fiscal 2013 to approximately 51% of our standalone revenue, as restated, for Fiscal 2015.

### ***Multi-lab model driving volume growth and economies of scale***

Our multi-lab model is comprised of a fully automated CPL supported by our network of RPLs that conduct routine tests conducive to high volume testing. Where logistically feasible, the authorized service providers direct samples requiring such tests to the RPLs. By routing these tests to the RPLs, the resources of the CPL can be utilised to process and test the additional samples generated by our pan-India network of authorized service providers that are not proximate to a RPL.

Since the opening of the RPLs in 2015, we have seen an increase in the volume of samples processed by our Company. Our laboratories processed approximately 12% more samples in Fiscal 2014 compared with Fiscal 2013. With the opening of the RPLs, we processed approximately 30% more samples in Fiscal 2015 compared with Fiscal 2014. We believe our higher rate of volume growth in Fiscal 2015 was partly on account of our RPL network.

The table below sets forth the samples processed, average samples processed per day, tests conducted and average tests conducted per day at our CPL and RPLs for the periods indicated.

|                                          | <b>Six months ended<br/>September 30, 2015<sup>(1)</sup></b> | <b>Fiscal 2015<sup>(1)</sup></b> | <b>Fiscal 2014</b> | <b>Fiscal 2013</b> |
|------------------------------------------|--------------------------------------------------------------|----------------------------------|--------------------|--------------------|
| No. of samples processed                 | 5,746,761                                                    | 9,093,828                        | 7,012,669          | 6,278,439          |
| No. of tests conducted                   | 30,317,913                                                   | 47,841,710                       | 34,897,640         | 25,027,132         |
| Average no. of samples processed per day | 31,403                                                       | 24,915                           | 19,213             | 17,201             |
| Average no. of tests conducted per day   | 165,672                                                      | 131,073                          | 95,610             | 68,567             |

1. *Figures for Fiscal 2015 and the six months ended September 30, 2015 include both our CPL and RPLs.*

As our network of authorized service providers, RPLs and the number of tests we perform continue to grow, we expect to achieve economies of scale and, accordingly, optimize the cost of samples and tests we process. We endeavor to pass on these cost efficiencies to our customers thereby offering tests at affordable rates. Offering tests at competitive prices is conducive to the expansion of our customer base, which may in turn increase the number of samples and tests we process.

### ***Pan-India collection network supported by logistics capabilities and information technology infrastructure***

We have built a nation-wide network of authorized service providers that source samples for processing and testing by the RPLs and CPL. As of November 30, 2015, we had a network of 1,122 authorized service providers, comprised of 878 TAGs and 244 TSPs spread across 483 cities and 28 states and union territories. Our authorized service providers have helped us penetrate the Indian market and increase the volume of samples we process, as they collect samples from hospitals, clinics and potential patients located across India.

Our network of authorized service providers is further complemented through the recent addition of RPLs which enables authorized service providers to deliver samples to the closest RPL rather than only to the CPL. In order to optimize the logistics costs, we established RPLs in regions with close proximity to rail or roads network. All samples that require routine tests and that are drawn by the authorized service providers within a particular distance from the RPLs are transported to the RPLs by means of rail or road networks. If the location of the authorized service provider is such that it is not feasible to send the samples to a RPL, or the sample requires non-routine tests, the authorized service providers send these tests to the CPL via air cargo, rail or road networks and/or courier services. RPLs have thereby assisted us in optimizing our logistics costs. Additionally, the time involved in delivering the samples to the RPLs is less than that required to deliver samples to the CPL, thereby enabling us to provide tests results to our patients relatively faster.

Our information technology infrastructure supports the authorized service providers' network. For example, through OLC, any person or organization with sample collection capabilities can outsource the processing of samples to us by placing an order at <https://www.thyrocare.com/wellness/> and delivering samples to our nearest authorized service provider to be directed to the CPL or RPLs for processing and testing. The operations of the authorized service providers, RPLs and CPL are seamlessly facilitated on our virtual network through our internally developed software "Charbi" and "Thyrosoft", which was developed by third party software developers. Authorized service providers enter work order data on Charbi, which is accessed by the CPL through Charbi, or by the relevant RPL through Thyrosoft for local processing. Once received, the tests results are uploaded onto Charbi, which can be accessed by authorized service providers. Test results are also made available to our authorized service providers on our website, at <https://www.thyrocare.com/wellness/>.

We are continuously developing relationships with authorized service providers in order to increase our pan-India reach and market penetration.

### ***Capital efficiencies in our diagnostic testing business***

Our test volumes and strong relationships with our vendors has allowed us to develop an equipment leasing model for the CPL that results in minimal capital expenditures for diagnostic equipment. Through this model, equipment and instruments used in the CPL are generally leased from vendors in exchange for a commitment to purchase reagents and consumables from these vendors for a specified period of time. Our reagent and consumable costs are then expensed as costs of materials consumed. We benefit financially from this model as it minimizes the capital costs typically associated with diagnostic equipment as we are not required to expend capital immediately to procure the necessary instruments and equipment.

As the RPLs conduct relatively routine tests, they do not require complex equipment that employs a variety of technologies. The capital outlay to purchase the equipment is therefore minimal in comparison to that required to purchase the equipment in the CPL, and as such, we have purchased the necessary equipment outright. To further minimize the capital costs associated with the establishment of the RPL network, rather than expend capital to purchase the premises the RPLs are located on, we either lease such premises or occupy such premises on a lease and license basis pursuant to a number of lease and license arrangements and have therefore have also saved on this form of expenditure. Due to the minimal capital outlay associated with the RPLs, we have been able to expand our business without incurring substantial capital costs. For example, the capital costs



to establish our three RPLs in New Delhi, Coimbatore and Hyderabad in Fiscal 2015 was ₹85.77 million and ₹24.68 million to establish the RPL in Kolkata.

Our capital efficient model has allowed us to finance our growth in our diagnostic business without reliance on leverage; our Company currently has no borrowings and thus no interest rate exposure.

### ***Experienced senior leadership and management team***

Our management's credible reputation, extensive industry experience and business acumen has helped us drive our growth and operating performance and we believe will continue to do so in the future, as evidenced by the number of initiatives our company has already undertaken and successfully implemented.

The Company is the conceptualization of our Promoter, chairman and managing director, Dr. A. Velumani, who holds a post graduate degree science and a doctorate in philosophy (science). Dr. A. Velumani worked as a scientific officer at the Bhabha Atomic Research Centre for twelve years, where he specialized in immunodiagnosics with a focus on radioimmunoassays. Our co-promoter Mr. A Sundararaju is also our Chief Financial Officer and plays a vital role in creating and managing our service provider network as a result of his eighteen years of experience in finance, legal and administrative activities. Through their experience with the Company, our management team has honed the skills necessary to navigate the fast-growing Indian diagnostic healthcare services sector. For further details, see the section entitled "*Our Management*" on page 151.

### **Our Strategy**

Our business strategy is set forth below.

### ***Continue to grow our wellness and preventive offerings and expand our product offering***

We shall continue to focus on growth of our wellness and preventive offerings and expansion of our test offering.

According to the CRISIL Research Report, the Indian population's awareness of the need to take wellness and preventive actions to identify pre-existing diseases or likely risks from particular chronic diseases is on the rise. Additionally, India has a young population, a growing middle class population and is facing a growing burden of non-communicable diseases. As a result of these factors, we expect the contribution from our wellness and preventive test and profile offering to continue to grow. According to the CRISIL Research Report, this segment is expected to grow at a CAGR of close to 25% over the next three years. For further details, see the section entitled "*Industry Overview*" on page 98. The proportion of our standalone revenue derived from our preventive diagnostic and wellness offerings is reflective of the growing interest in preventive and wellness testing, having increased from approximately 41% in Fiscal 2013 to approximately 51% of our standalone revenue, as restated, in Fiscal 2015.

As we recognize the growth opportunity in this segment and are well positioned to leverage our expertise and brand, we are focusing a significant proportion of our marketing efforts on preventive diagnostic and wellness offerings. We have set up an in-house marketing team and a network development team, and are expanding our call center operations to directly market our wellness and preventive offerings to referring doctors and individual customers. We also routinely set-up health camps to spread awareness of lifestyle diseases and the benefits of undergoing preventive health checks, which has enhanced the brand equity of the Aarogyam brand among customers.

We intend to expand our diagnostics test offerings through the acquisition of new technologies, including both instruments and processes. We are currently focusing our efforts on new test offerings based on the clinical application of mass spectrometry. For instance, in May of 2015, we commenced providing testing services for water samples through newly acquired equipment which we are operating under the brand "WHATERS". The tests that WHATERS currently conducts include: physical and chemical testing, elements testing, microbiology testing, pesticide testing and volatile organic compounds testing.

### ***Continue to grow the network of RPLs and authorized service providers***

We intend to strengthen and grow our coverage of regions across India through our network of RPLs and authorized service providers. By expanding this network, we plan to simultaneously increase our customer base, generate higher volumes of samples for processing, improve our turnaround time and optimize our logistics costs.

We commenced setting up RPLs in 2014, and opened four RPLs in 2015, one in each of New Delhi, Coimbatore, Hyderabad and Kolkata. We believe the addition of the RPLs to our network has made an important contribution to our volume growth of samples and tests. We are in the advanced stages of setting up a RPL in Bhopal and are in the planning phase of setting up a RPL in Bengaluru. We will continue to explore growth opportunities in India through the opening of additional RPLs in locations conducive to both time and cost efficiencies. We plan on targeted expansion by continuing to open RPLs in locations in close proximity to rail or road networks and in markets that are expected to generate high volumes of samples. We expect that our relationships with the vendors will enable us to source cost-efficient equipment for these RPLs, thereby enabling us to maintain our competitive pricing.

In order to sustain our future growth and client base, we are also focused on increasing the number and quality of the authorized service providers in the upcoming Fiscals. We intend to develop long-term relationships with authorized service providers with the goal of maintaining consistency of quality of services across our network and reducing churn.

We intend to use the expanded network of RPLs and authorized service providers to bolster brand visibility and increase the accessibility of our services.

### ***Continue to develop our NHL business to provide affordable PET-CT scanning***

We are developing a network of molecular imaging centers (radiology) for cancer diagnosis through NHL. We currently have three imaging centers operating five PET-CT scanners: two in Navi Mumbai, two in New Delhi and one in Hyderabad and plan to expand our PET-CT scanning operations to other the major cities in India. For example, we intend to open molecular imaging centers in both Kolkata and Raipur. We believe having backward integration with our own cyclotron provides us with greater flexibility, reliability and cost effectiveness as we expand our operations. While the PET-CT scanners are currently owned by NHL, in order to further expand the business and increase capital efficiencies, we intend to deploy a franchisee model, whereby the PET-CT scanners will be owned by the franchisee and revenue will be shared between NHL and the franchisee. We are currently in the process of setting up such an arrangement with a party in Raipur.

PET-CT scanning is becoming increasingly relevant in India as instances of cancer have grown over the last decade. According to the CRISIL Research Report, cancers comprised approximately 5% of DALYs of the Indian population in 2012, as compared to approximately 3% of DALYs of the Indian population in 2000. It is expected that the use of accurate diagnosis technology, such as PET-CT scans, will help improve early detection of cancers. For further details, see the section entitled “*Industry Overview*” on page 98. The number of scans conducted by NHL has grown by close to 376% from Fiscal 2014 to Fiscal 2015. The table below sets forth the number of scans conducted by NHL in Fiscal 2015, 2014 and 2013 and the six months ended September 30, 2015.

|                        | <b>Six months ended<br/>September 30, 2015</b> | <b>Fiscal 2015</b> | <b>Fiscal 2014</b> | <b>Fiscal 2013</b> |
|------------------------|------------------------------------------------|--------------------|--------------------|--------------------|
| No. of scans conducted | 7,897                                          | 11,173             | 2,348              | 34                 |

A major factor discouraging the use of these diagnostic procedures is its high cost. Therefore, the ability of diagnostic service providers to offer diagnostic procedures at competitive rates will be a key determinant in the growth of this segment. For further details, see the section entitled “*Industry Overview*” on page 98. Accordingly, to take advantage of the expected increase in requirement for PET-CT scanning services, we plan to offer PET-CT scanning at competitive prices, thereby growing our referring doctor and hospital customer base, which is expected to drive our scanning volumes.

***Expand our service platform by developing new channels that leverage the strength of our brand and network***

We plan to increase the breadth of our testing and services platform through new channels that leverage our brand, multi-lab model and pan-India network of service providers.

We have recently introduced an OLC system. Through this system, laboratories, diagnostic centers, doctors, clinics, nursing homes, hospitals, medical representatives or any other person or organization with sample collection capabilities can outsource the processing of samples to us by placing an order at <https://www.thyrocare.com/wellness/> and delivering samples to the nearest authorized service providers to be directed to CPL or RPL for processing. Test reports are made available online at <https://www.thyrocare.com/wellness/>.

We are in the process of establishing TMC, which is intended to be a nation-wide branded metabolic clinic for individuals with chronic illnesses or who plan to undergo a healthcare procedure. TMC will provide doctors and other healthcare professionals with a platform to deliver their expertise to potential patients. Expertise will include radiology, imaging and pathology services. Additionally, TMC proposes to establish corporate relationships with insurance providers, helping patients streamline hospitalization expense claims to such insurance providers. In the next three years, we intend to develop clinics in various locations across India, and are currently planning to open TMCs in Mumbai and New Delhi. As another example, through the brand Sugar Scan, we offer a sugar scan blood glucose monitor, which is one of the simplest ways for patients to instantly determine their blood glucose levels at an affordable cost.

**Our Business**

We are one of the leading pan-India diagnostic chains. We conduct an array of medical diagnostic tests and profiles of tests that center on early detection and management of various disorders and diseases.

***Tests and Testing Technologies***

*Tests*

As of November 30, 2015, we offered a portfolio of 192 tests and 54 profiles of tests, including the 17 offered under our Aarogyam brand, that are used to detect a number of patient disorders including thyroid disorders, growth disorders, metabolism disorders, autoimmune disorders, diabetes, anemia, cancer, cardiovascular disorders, infertility and infectious diseases. The table below provides an overview of the types of tests we offer and the laboratory that performs these tests.

| <b>Types of Thyroid Tests</b>                                              | <b>Performed at CPL</b> | <b>Performed at RPL</b> |
|----------------------------------------------------------------------------|-------------------------|-------------------------|
| Thyroid Stimulating Hormone                                                | ✓                       | ✓                       |
| Total Triiodothyronine                                                     | ✓                       | ✓                       |
| Total Thyroxine                                                            | ✓                       | ✓                       |
| <b>Non-Thyroid Tests Based on the Technologies Employed by the Company</b> | <b>Performed at CPL</b> | <b>Performed at RPL</b> |
| CLIA                                                                       | ✓                       | ✓                       |
| ELISA                                                                      | ✓                       |                         |
| HPLC                                                                       | ✓                       | ✓                       |
| Electrophoresis                                                            | ✓                       |                         |
| Flow cytometry                                                             | ✓                       |                         |
| Fluorescence Flowcytometry                                                 | ✓                       | ✓                       |
| Nephelometry                                                               | ✓                       |                         |
| Photometry                                                                 | ✓                       | ✓                       |
| Liquid Chromatography Mass Spectrometry                                    | ✓                       |                         |
| ICP-MS                                                                     | ✓                       |                         |
| <b>Wellness and Preventive Tests</b>                                       | <b>Performed at CPL</b> | <b>Performed at RPL</b> |
| <b>Aarogyam 1.1</b>                                                        | ✓                       | ✓ <sup>1</sup>          |

<sup>1</sup> Aarogyam 1.1 is not performed at the RPL located in Kolkata.

| Wellness and Preventive Tests                                                                                                     | Performed at CPL | Performed at RPL |
|-----------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Liver, cholesterol, kidney, thyroid and iron deficiency                                                                           |                  |                  |
| <b>Aarogyam 1.2</b><br>All of Aarogyam 1.1 profiles and complete hemogram and diabetes                                            | ✓                | ✓                |
| <b>Aarogyam 1.3</b><br>All of Aarogyam 1.2 profiles and vitamin and testosterone                                                  | ✓                | ✓                |
| <b>Aarogyam 1.4</b><br>All of Aarogyam 1.3 profiles and Cardiac risk profile, pancreas, electrolyte                               | ✓                |                  |
| <b>Aarogyam 1.5</b><br>All of Aarogyam 1.4 profiles and folic acid, blood element analysis profile, testosterone and homocysteine | ✓                |                  |
| <b>Aarogyam 1.6</b><br>All of Aarogyam 1.4 profiles and arthritis, serum ferritin, folic acid                                     | ✓                |                  |
| <b>Aarogyam 1.7</b><br>All of Aarogyam 1.6 profiles and a toxic elements profile                                                  | ✓                |                  |

The Thyroid profile has been one of our key test offerings and includes Total Triiodothyronine, Total Thyroxine and Thyroid Stimulating Hormone tests (which are collectively referred to as “**Thyroid Tests**”). The Thyroid Tests constituted approximately 28% of the total samples processed in Fiscal 2015 and generated revenue of approximately ₹272.37 million, which constituted approximately 15% of our total standalone revenue, as restated, for Fiscal 2015.

| Particulars                            | Six months ended September 30, 2015 | Fiscal 2015 | Fiscal 2014 | Fiscal 2013 |
|----------------------------------------|-------------------------------------|-------------|-------------|-------------|
| Number of Thyroid tests                | 8,773,357                           | 13,618,280  | 10,604,523  | 9,200,977   |
| Approximate % of total tests conducted | 29                                  | 29          | 30          | 37          |

In December 2012, under our Aarogyam brand, we launched a “profile of profiles” package named Aarogyam 1.1. Under Aarogyam 1.1, whereby we bundled several profiles, including cholesterol profiles, liver profiles and thyroid profiles with an objective of offering a suite of tests as a package to our patients as well as improving the volume of tests we process. The profile of profiles package offering has since been expanded as part of our wellness and preventive health test offerings. These tests and profiles are priced competitively and include both routine as well as more complex diagnostic profiles.

As demonstrated by the table below, the share of our wellness and preventive health test offering in our revenue from sale of diagnostic services has been increasing steadily. For the six months ended September 30, 2015, wellness and preventive health tests contributed to approximately 53% of our standalone revenue, as restated.

| Particulars                              | Six months ended September 30, 2015 | Fiscal 2015 | Fiscal 2014 | Fiscal 2013 |
|------------------------------------------|-------------------------------------|-------------|-------------|-------------|
|                                          | (Approximate percentage)            |             |             |             |
| Wellness and preventive healthcare tests | 53                                  | 51          | 47          | 41          |
| Others                                   | 47                                  | 49          | 53          | 59          |

We intend to continue to expand our diagnostics test offerings through the addition of new specialty tests based on the acquisition of new technologies, including both instruments and processes. For example, in Fiscal 2015, we explored cytogenetic techniques and water testing as well as the development of new tests based on mass spectrometry at the CPL.

Certain tests are not cost effective to conduct at either the RPLs or the CPL, and are outsourced to a partner

laboratory located in Thane and Mumbai. As compensation for their diagnostic services, we provide them with a percentage of the revenues that we receive from such tests.

### **Testing Technologies**

Modern technology is rapidly introducing new diagnostic tools and constantly evolving the diagnostic market. To remain competitive, we ensure that CPL and RPLs are employing the most advanced technology that is capable of handling our volume of work and of delivering the quality and precision our customers expect. Our technologies include the following:

**CLIA.** CLIA is a sensitive, high throughput, fully automated immunological technique, which has revolutionized immunodiagnosics. CLIA measures the intensity of light emitted when the complex of antigen in the patient's sample and the enzyme linked antibody reacts with a chemiluminescent molecule (such as luminol) producing a weak signal. The enzyme component then provides signal amplification. The growing popularity of chemiluminescence assays is partly a result of its detection sensitivity. Chemiluminescence has become a powerful and a versatile technology in the in vitro diagnosis. CLIA provides advantages over other methods for having increased sensitivity, being less prone to interference and background signals and requiring simple instrumentation. We use state-of-the art CLIA analyzers such as Siemens ADVIA Centaur, Siemens Immulite 2000 and Roche EEE modular analyzers are being used for investigations.

**ELISA.** ELISA is an immunological technique that is used to detect the presence of an antibody or an antigen in a sample. An unknown amount of antigen is coated on a solid phase, and a specific antibody is washed over the surface so that it can bind to the antigen. The immune complex that results is linked to an enzyme, which acts on a substrate to give a colored reaction which is detected using ELISA plate readers. The label that is added to produce a detectable signal is an enzyme, and therefore it is called as Enzyme Linked Immunosorbent Assay. One of the main advantages of ELISA technology is that it provides quick and accurate results. It is widely employed to detect or quantify secreted or intracellular protein concentrations. It is an important diagnostic tool that estimates even a small quantity of antigen or antibody in a solution. At the CPL, detection of analyte in the sample is done by qualitative ELISA.

**HPLC.** When molecules in the mixture are very similar in chemical nature, direct quantification becomes difficult. HPLC is a form of column chromatography used frequently to separate, identify and quantify compounds. It consists of a stationary phase that absorbs the analytes and holds them for a particular time. The molecules in the mixture travel from the beginning to end of the stationary stage, and spend varying amounts of time at each stage. The time that a molecule takes to travel from one end to other end of the stationary phase is known as "Retention time". As a result of this process, the molecules display a unique retention time for their particular stationary-mobile phase combination. Silicagel is most frequently used as the adsorbent, and is packed into a column. HPLC columns are densely packed as packing directly affects the resolution. At the end of the column, a detector is kept. As the molecules come out from the end of the column, the detector gives a reading on a chromatogram. The reading quantifies the molecule of interest on the basis of standard values. One of the most advanced and accurate test for monitoring diabetes, Glycosylated Hemoglobin, is carried out by HPLC technology. We conduct HPLC screening through the TURBOII, which is supplied by Bio-Rad Laboratories (India) Private Limited.

**Capillary Electrophoresis.** With Electrophoresis, charged molecules are separated by their electrophoretic mobility in an alkaline buffer with a specific pH. Separation also occurs according to the electrolyte pH and electro osmotic flow. The technique is used for electrophoretic separation of serum proteins and hemoglobin. The technique involves capillaries functioning in parallel, allowing 8 simultaneous analyses. A sample dilution with a buffer solution is injected by aspiration at the anodic end of the capillary. A high voltage protein separation is then conducted and direct detection of the molecules is made at the cathodic end of the capillary. The resulting electrophoretograms are evaluated visually to screen for any pattern of abnormalities. Proteins are separated into zones with each zone containing one or more proteins. We use the Capillarys 2 System from SEBIA for Hemoglobin & Protein Electrophoresis analysis.

Serum protein electrophoresis is of significant importance for the diagnosis of plasma cell neoplasms, particularly for the detection of M protein in elderly individuals. The quantity of the M protein can help differentiate multiple myeloma from monoclonal gammopathy of undetermined significance. Hemoglobin electrophoresis is another test which can be done using the capillary electrophoresis system - the resulting qualitative (or structural) abnormalities are called hemoglobinopathies. The Capillary Zone Hemoglobin electrophoresis test is used at the CPL to perform the separation of the normal hemoglobins (A, F and A2), to enable the detection of the major hemoglobin variants (especially S, C, E or D), and to detect thalassemia.

**Ion Selective Electrode.** An Ion Selective Electrode involves use of a pH meter or an ion selective probe to identify and quantify each single dissolved ion in the solution. It works on the principle of Nernst equation and can measure both positive as well as negative ions in a solution without being affected by interference of other dissolved components. The analyzer which aids in this analysis is the Olympus AU 2700, which measures Na<sup>+</sup> and Cl<sup>-</sup> in serum.

**Flow cytometry.** Flow cytometry is a means of measuring certain physical and chemical characteristics of individual cells or particles suspended in a stream of fluid while passing through the center of flow cell past a stationary set of detectors. It measures physical characteristics such as cell size, shape and internal complexity. It is a rapid method for measuring the fluorescence and light scattering of individual cells in large numbers. Light scattering at different angles can give information on size and on shape and structure (to some extent). At the CPL, we use the BD FACSCalibur analyzer for CD3, CD4 and HLA-B27 tests.

**Fluorescence flow cytometry.** Fluorescence flow cytometry involves the enumeration of cell-counts by staining cells with fluorescent dyes followed by subsequent detection using laser technology. Cells are enumerated based on their physical and chemical nature. This technique can enumerate thousands of cells in a minute. Different fluorescent dyes absorb light at different wavelengths and upon excitation, emit the light at a higher wavelength. This principle is exploited to detect the chemical composition of various cells using the fluorescence flow cytometry method. Therefore, multiple dyes are used simultaneously to stain different cells and, with the help of a laser beam using the principle of hydrodynamic focusing, the chemical properties of the cells are studied depending on the stain absorbed by them. We use the hematology automated analyzer SYSMEX XN-1000 to enumerate the different blood cell types.

**Nephelometry.** Nephelometry is a quantitative method, based on the principle that a dilute suspension of small particles scatter light (usually a laser) passed through it rather than simply absorbing it. The amount of scatter is determined by collecting the light at an angle. The size, concentration and shape of the molecule altogether determines the amount of scattered light. Of these three, size and shape determines the angle of scatter and concentration intensifies the scatter at particular angle. Generally, molecules vary in size and shape, thus they become unique from these aspects. As nephelometry is a quantitative method, on the basis of the scattering of known concentrations, an unknown concentration may be derived. The concept of nephelometry is mostly applied for estimations of proteins as the latest breakthrough. BN II is one of the analyzers used for nephelometric estimation at the Company.

**Photometry.** Photometry is the science of measuring visible light and is based on Beer Lambert's Law, which is a relationship between absorption of light and the properties of the material through which the light is traveling. Whenever light of a particular wavelength enters a solution of a substance, it comes out with a reduced intensity, as part of it is absorbed by the solution. If this property needs to be exploited for the analytical work or biochemical assays, the phenomenon of absorption of light should obey the Beer-Lambert's Law. It can be stated as that the intensity of light decreases exponentially with the increase in the concentration of the solution and the depth or thickness of the solution through which the light passes. This technology is integrated into various instruments which enables the detection of analytes. We use analyzers such as Olympus AU 2700 and Siemens Advia 2400.

**LC-MS.** LC-MS is the combination of the physicochemical separation capabilities of liquid chromatography and detection using a mass spectrometry. Generally it is used for the detection and identification of chemicals in the in a complex mixture or matrix.

The principle of LC-MS/MS is based on the fragmentation of charged ions and the detection of the resulting fragments. The interface is a particle beam type, which separates the sample from the solvent, and allows the introduction of the sample in the form of aerosol into the high vacuum region. The separated analytes enter the MS for ionization using an appropriate source, post which the ions are fragmented and analyzed depending on their mass/charge ratio. Electron impact is of interest for molecules which do not ionize with API technique, or when an electron impact spectrum is necessary, since it provides spectral information independent of the sample introduction technique (GC or LC, or direct introduction) and instrument supplier. Thus, LC-MS/MS has a much higher selectivity and sensitivity than LC-MS and makes it possible to elucidate e.g. metabolite structures. Tests at the Company using this technology are by using triple quad LC-MS systems attached to an Ultra High Performance Liquid Chromatograph analyzer.

**ICP-MS.** ICP-MS is the most advanced technology used for trace metal analysis in biological and non-biological samples. ICP-MS is a combination of two well established technologies namely, ICP (Inductively coupled Plasma) source and MS (mass spectrometry). ICP is a high temperature excitation source, which is

maintained at about 10,000 kelvin, which vaporizes, excites and ionizes the atoms. The mass spectrometry is a technology which discriminates these ions depending on their mass to charge ratio. Mass spectrometry is used for quantification of atoms and molecule, and therefore ICP-MS gives quantitative as well as qualitative results. Apart from blood specimen analysis, ICP-MS is also used in elemental analysis in food industries, drinking and waste water industries. At the Company, a blood element analysis profile is conducted through the ICAPQC ICP-MS analyzer.

**Cytogenetics.** Cytogenetics refers to the study of number and structure of chromosomes within cells. As chromosomes contain DNA, any structural or numerical changes in these directly affect function of genes, resulting in genetic defects/disorders. Cytogenetics is a highly specialized branch of medical science which involves chromosome preparation, differential staining, banding and analysis of the chromosomes in cells harvested from various biological fluids or tissues. Cytogenetic studies can identify the underlying causes of multiple defects which affect the developing fetus, neonates, children and adults. Popularly used techniques involving cytogenetics involve Karyotyping and FISH (fluorescent in-situ hybridization).

### ***Technology***

Our information technology systems serve the CPL, RPLs and authorized service providers, providing connectivity and helping us to ensure the efficiency of our business. Our information technology network has enabled us to deliver results from diagnostic testing to our customers in a timely manner, which is essential to our business and a critical aspect of the services we provide. We have developed a scalable information technology infrastructure, designed to maximize the accuracy, flexibility, ease-of-use and speed of delivery of our diagnostic reports. The main components of our technology application include Charbi, Thyrosoft and our website capabilities.

Charbi is an internet web portal, which was developed by our internal IT team to manage the operational needs of the Company and our network of laboratories and authorized service providers. Charbi tracks our operational statistics, including the volumes of tests conducted by our network of laboratories, daily averages and the types of tests that are conducted. Authorized service providers are given access to Charbi, and are provided with a unique user name. Through Charbi, authorized service providers input data related to the sample, including the bar-code number, the patient and customer name, type of tests and date of receipt of sample. The CPL is fully integrated with Charbi. As our analyzers are synchronized with Charbi, test reports are generated and uploaded onto Charbi once the data is outputted by our analyzers, making the process fast and accurate. Authorized service providers can then access and print the test results to provide to the individual patients as well as their bill for our services. Test results are also made available to our authorized service providers on our website, at <https://www.thyrocare.com/wellness/>.

The RPLs are only partially integrated with Charbi and operate through Thyrosoft, which is an internet based laboratory information management system. Once the authorized service provider has entered the information relevant to the sample onto Charbi and indicates that the sample is to be processed and tested at a RPL, the information is downloaded by the relevant RPL through Thyrosoft. Once the test results are generated by the RPL, the data is uploaded through Thyrosoft onto Charbi where authorized service providers can access the results.

We plan to upgrade our Charbi system with a web interface developed and serviced by a third party IT company which will enable authorized service providers and patients to track the status of samples and access test reports through our systems.

In addition to the facilitation of our internal operations, our IT capabilities also facilitate our pan-India networks of patients. Our website <https://www.thyrocare.com/wellness/> has been upgraded so that patients can easily book tests, view reports and track their order status online.

### ***The CPL***

Our CPL, which is located in Navi Mumbai, is equipped with automated systems, diagnostic testing instruments and processes from leading international and Indian healthcare brands. The CPL is driven by a barcoded and bi-directionally-interfaced system, an LIS and an automated track system developed by Siemens Limited, which allowed the CPL to conduct an average of 129,920 tests per day in Fiscal 2015. We also have automated systems for our pre-analytical and post-analytical operations. This automation significantly reduces our workforce requirements and enhances the processing capacity, quality, reliability and speed of our services.

Although we began routing samples to the RPLs for routine testing in Fiscal 2015, we have seen a steady increase in the volume of samples and tests processed at the CPL. Between Fiscal 2013 and Fiscal 2015, the volume of samples processed and tests conducted at the CPL grew approximately 43% and 89%, respectively. The table below sets forth the samples processed, average samples processed per day, tests conducted and average tests conducted per day at our CPL for the periods indicated.

|                                                  | Six months ended<br>September 30, 2015 | Fiscal 2015 | Fiscal 2014 | Fiscal 2013 |
|--------------------------------------------------|----------------------------------------|-------------|-------------|-------------|
| Samples processed                                | 4,233,299                              | 8,990,196   | 7,012,669   | 6,278,439   |
| Average samples processed per day <sup>(1)</sup> | 23,133 <sup>(2)</sup>                  | 24,631      | 19,213      | 17,201      |
| Tests conducted                                  | 23,551,108                             | 47,420,906  | 34,897,640  | 25,027,132  |
| Average tests conducted per day                  | 128,695                                | 129,920     | 95,610      | 68,567      |

(1) The average samples processed per day for the CPL is arrived by dividing the number of samples processed by the number of days in operation.

(2) For the six months ended September 30, 2015 and Fiscal 2015, the RPLs processed an average of 8,466 samples and conducted an average of 37,698 tests per day.

Through the CPL's bar-coding system that is bi-directionally-interfaced with our LIS, every sample we receive is identified by a barcode on the sample's vial. The moment the vial is mounted on one of our automated instruments it is automatically routed to the correct analyzer for processing. Simultaneously, output data is synchronized with Charbi to generate and upload the reports onto our website, making the process fast and accurate. Not only does bar-coding help to prevent errors in reporting, it also helps curtail the time consumed in pre-analytical procedures.

Our internal quality parameters include not only systems and instruments but also well-trained staff, responsible for the execution of processing in highly calibrated, sophisticated analyzers. Our laboratory staff includes medical doctors, PhDs and post graduates in biochemistry, pathology, microbiology and other science related disciplines. The CPL meets the international standards of quality and is accredited by reputed global agencies such as CAP, NABTCL and ISO.

### ***The RPLs***

In 2015, we opened RPLs in New Delhi, Coimbatore, Hyderabad and Kolkata. Through the RPLs, we have expanded our diagnostic network and have increased the volume of tests and samples that are processed daily. In Fiscal 2014, the CPL processed 7,012,669 samples and conducted 34,897,640 diagnostic tests, whereas in Fiscal 2015, the CPL and operational RPLs processed 9,093,828 samples and conducted 47,841,710 diagnostic tests. As such, the addition of the RPLs to our network has contributed to the approximately 30% and 37% growth in volumes of samples processed and tests performed, respectively, over the last Fiscal year.

In accordance with our targeted expansion plan, we are in the process of setting up a RPL in Bhopal and are in the planning phase of setting up a RPL in Bengaluru. The below map depicts the locations of the RPLs across India:





Like the CPL, the operational process in the RPLs is seamless. The RPLs employ the same bar-coding system as the CPL, such that each sample that is received is identified by a barcode on the sample's vial. The process differs slightly from that in the CPL; once the respective samples are identified, rather than being automatically routed to a particular analyzer, the samples are manually loaded onto the relevant analyzer for processing.

The internal quality parameters utilised by the RPLs are equivalent to those in place at the CPL, both in terms of the equipment used and the staff employed by the RPLs. Due to the automation at the CPL, we have transferred certain employees previously trained and employed at the CPL to the RPLs, which has helped us to maintain consistency and standards of quality across our operations.

### ***Network of Authorized Service Providers***

As of November 30, 2015, we had a network of 1,122 authorized service providers, comprised of 878 TAGs and 244 TSPs spread across 483 cities and 28 states and union territories. Our authorized service providers have facilitated the expansion of the geographical reach of our brand and network, as demonstrated by the map below.



Our authorized service providers operate under franchise agreements. We expect standardization and uniformity across all authorized service providers, and therefore, authorized service providers also are required to adhere to quality standards and standard operating procedures specified by the Company. To ensure our standards are upheld, we conduct regular training courses for our authorized service providers, which focus on training on the business, industry and operational aspects for authorized service providers to start their business.

We supply sample kits consisting of standardized and bar-coded vials to the authorized service providers, which are required to use the sample collection kits when collecting samples from patients. Each authorized service provider is provided with a unique user name. The authorized service providers are given access to Charbi, and are provided with a unique user name. Through Charbi, authorized service providers input data related to the sample, including the bar-code number, the patient and customer name, type of tests and date of receipt of sample. Accordingly, the authorized service providers also perform a portion of the pre-analytical work stream, which further ensures efficiencies at the CPL and RPLs.

We charge authorized service providers fixed rates per test or profile for the tests or profiles that are processed at the CPL and RPLs and provide them with indicative rates that they may charge to their customers. Direct sales associates, independent agents that originate customer leads for our diagnostic tests, work with authorized service providers to generate additional patients. Where patients have been procured by the Company or its sales associates, we directly charge authorized service providers for processing and diagnostic testing and credit them with service charges for sample collection.

Prior to Fiscal 2014, all authorized service providers were referred to as TSPs. In Fiscal 2014, we segregated the classification of authorized service providers into two categories, TAGs and TSPs, to demarcate their roles and responsibilities vis-a-vis sample procurement and the drawing of samples directly from patients. Accordingly, while both TSPs and TAGs are responsible for procuring samples from local hospitals, laboratories, diagnostic centers, nursing homes, clinics and doctors, TSPs are additionally authorized to draw samples from patients that are either procured by them or referred to them by the Company or our direct sales associates and may draw samples directly from patients' homes as part of our home collection services. Both TSPs and TAGs receive samples through the OLC system, as persons or organizations with sample collection capabilities can outsource processing of samples by placing an order at <https://www.thyrocare.com/wellness/> and delivering samples to the nearest authorized service provider to be directed to the CPL or RPLs for processing.

Authorized service providers either deliver the samples directly to one of the RPLs or, if the sample is to be processed at the CPL, to one of our 27 hub locations where samples are aggregated and transported directly to the CPL. Our 27 hub locations are pictured in the map below:



The samples sent to the CPL and RPLs are received within the day, processed through the night and results are generally made available online the next morning. Our authorized service providers receive both the tests results and their bills through respective login credentials via Charbi.

To increase access to our services, we provide retail customers with an option to register for tests and profiles on our website and make online payments. In this case, we only credit authorized service providers with service charges for sample collection. Customers may also book our services through a mobile application that we have developed for mobile devices. The OLC system that we recently developed will also help to increase the volume of samples received by the authorized service providers. Through this system, laboratories, diagnostic centers,

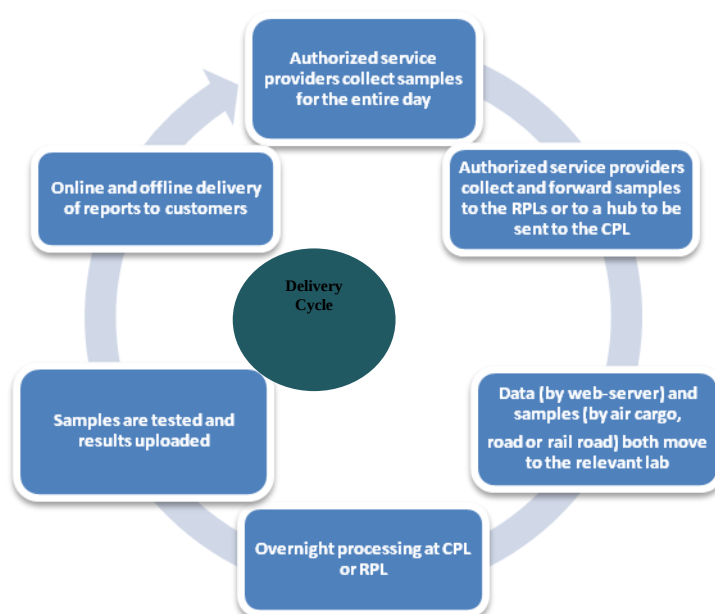
doctors, clinics, nursing homes, hospitals, medical representatives or any other person or organization with sample collection capabilities can outsource the processing of samples to us by placing an order at <https://www.thyrocare.com/wellness/> and delivering samples to our nearest authorized service providers to be directed to CPL or RPL for processing. Test reports are made available online at <https://www.thyrocare.com/wellness/>. The introduction of OLC further developed the infrastructure required by the authorized service providers to operate their businesses.

## Logistics

The CPL is strategically located in Navi Mumbai, which is well connected by air, rail and roads to the rest of the country. All samples that require routine tests drawn by the authorized service providers within a particular distance of the RPLs are directed to the RPLs either by means of rail or road networks. If the location of the authorized service provider is such that it is not feasible to send the samples to a RPL, or the sample requires non-routine tests, the authorized service providers send these tests to the CPL. By routing these tests to the RPLs, the resources of the CPL can be utilised to process the additional samples generated by our pan-India network of authorized service providers that are not proximate to a RPL.

Samples to be processed at the CPL are collected by authorized service providers, aggregated at one of the 27 hub locations and then transported via air cargo, rail or road networks and/or courier services directly to the CPL. The samples to be processed at the RPLs are delivered by the authorized service providers directly to the nearest RPL via rail or road networks. To assist with turnaround times, the authorized service providers strive to ensure that the samples are received by the CPL and the relevant RPL on the same date that the authorized service providers have drawn the samples from the patients.

The following diagram shows our delivery cycle for collecting, transporting, testing samples and delivery of results:



We send collection kits to authorized service providers that include bar-coded and standardized vials for collection. For both the CPL and RPLs, the authorized service providers are provided access to our Charbi system where they are required to key in data including the bar-code number, the patient/customer name, the type of test and date of receipt of sample. The samples are then packaged and transported at the required temperature in appropriate containers to either the CPL or one of the RPLs. Once received, these samples are then meticulously collected, collated, checked for sample integrity, temperature and other aspects of pre-analytical quality control and then sent across for processing.

We bear all costs after the sample is received by the authorized service providers, including transportation to the CPL and RPLs, testing and uploading the results on our web portal. The CPL also has an arrangement with courier companies pursuant to which certain authorized service providers can deposit samples with the courier companies and the samples will be delivered to the CPL.

### ***Instrument Vendors, Raw Materials and Suppliers***

We obtain our machinery, instruments and other equipment from international and Indian vendors, such as Siemens Limited, which is our largest supplier. Based on the difference in capital costs of the equipment required for the CPL and the RPLs, the CPL and the RPLs each have a different relationship with our vendors with respect to the purchase of equipment and reagents.

Our test volumes and strong relationships with our vendors has allowed us to develop an arrangement in which the vendor installs instruments at the CPL on a placement basis, that results in minimal capital expenditures for diagnostic equipment. Through this model, equipment and instruments used in the CPL are installed on placement basis by vendors in exchange for a commitment to purchase reagents from these vendors for a specified period of time. For example, we currently have an arrangement with Transasia Bio-Medicals Limited at minimal cost, pursuant to which we have purchased certain analyzers from Transasia Bio-Medicals Limited in exchange for committed purchase of reagents and consumables.

These arrangements generally last for three to seven years, and the rates and prices of reagents and consumables that we purchase from our vendors are generally fixed in the relevant agreement or arrangement. The pricing of reagents is, at times, fixed in or linked to U.S. dollars, which subjects us to exchange rate risk and movements. For further details, see the section entitled “*Risk Factors*” on page 41. Title to and ownership of the analyzers placed at our premises continues to belong to the respective vendor during the term of the relevant agreement or arrangement and may be acquired by us upon completion of the agreement at a mutually agreed price.

Under most of our placement agreements or arrangements, the vendor is responsible for normal servicing and maintenance of equipment and bears the cost of spare parts (excluding consumable spares in certain cases), repairs etc. incurred/necessitated in the course of the placement agreement. If any repair results from our failure to follow the manual that accompanies the equipment, our negligence, conducting maintenance which is to be carried out exclusively by the vendor (other than normal operational maintenance which may be carried out by us), sabotage and/or damage caused by us and/or our employees, agents, visitors, contractors, and contractors’ employees, the vendor will carry out such repair and charge us the cost of such repair and spare parts. Some vendors take out an insurance policy that covers the equipment (at their own cost).

Due to the routine nature of the tests conducted at the RPLs, the RPLs do not require complex equipment that employs a variety of technologies. The capital outlay to purchase the equipment is therefore minimal in comparison to that required to purchase the equipment in the CPL, and as such, we have purchased the necessary equipment outright. Due to the minimal capital outlay associated with the RPLs, we have been able to expand our business without incurring substantial capital costs. For example, the capital costs to establish our three RPLs in New Delhi, Coimbatore and Hyderabad in Fiscal 2015 was ₹ 85.77 million and ₹ 24.68 million for the six months ended September 30, 2015 to establish the RPL in Kolkata.

### ***Brands***

We have leveraged our expertise in the diagnostic testing industry to further develop our brand and have cultivated additional brands to cover a variety of means of testing, tests and profiles of tests. The brands that we offer are listed in the table below:

| Brand Name | Type of Services Offered     | Examples of Tests Offered                                                                                                                                                                                                                              | Brand Logo                                                                            |
|------------|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Thyrocare  | Diagnostic testing           | Thyroid testing and non-thyroid tests based on different types of technologies                                                                                                                                                                         |  |
| Aarogyam   | Wellness and preventive care | Liver, cholesterol, kidney, thyroid, iron deficiency, testosterone, cardiac, pancreas, electrolytes, arthritis, serum ferritin, folic acid and toxic elements tests and profiles of tests.<br>Diabetic screens<br>Complete hemogram<br>Vitamin profile |  |
| NHL        | Cancer monitoring            | Full body and brain scans                                                                                                                                                                                                                              |  |

|            |                                 |                                                                                                  |                                                                                     |
|------------|---------------------------------|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| WHATERS    | Water testing                   | Physical and chemical, elements, microbiology, pesticide and volatile organic compounds testing. |  |
| Sugar Scan | Testing of blood glucose levels | Sugar scan blood glucose monitor                                                                 |  |

### Overseas Operations

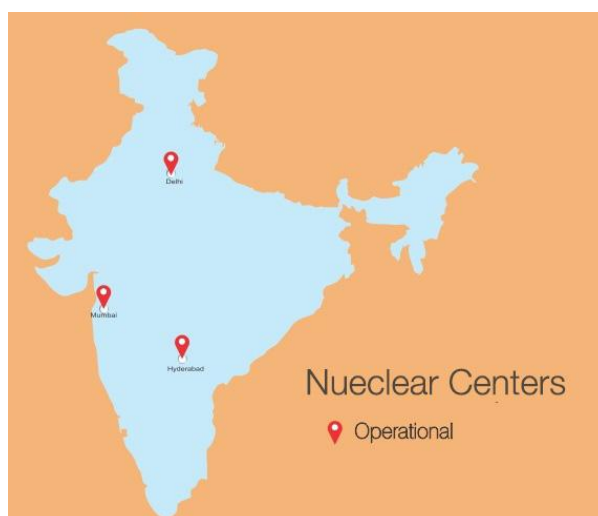
At present, we have a minority equity interest in TIHCM, which holds TGL, which conduct business in Bahrain. The CPL receives samples requiring non-routine tests from TGL. TGL conducts its own routine tests on samples that it receives.

We entered into a royalty agreement dated September 17, 2013 with TIHCM and Thyrocare Bangladesh Limited. Pursuant to the royalty agreement, our Company and TIHCM provide: (a) certain services, including technical and IT support, equipment and reagent and consumables procurement, operational support and training; (b) exclusive rights to use the trademark, tradename, operating procedures and software for a period of 25 years (to be automatically renewed for 10 years unless cancelled), as specified, to Thyrocare Bangladesh Limited in return for a royalty payment based on the revenue of Thyrocare Bangladesh Limited.

As part of our growth strategy, we may continue to explore select opportunities to expand in this regard beyond India.

### Our NHL Healthcare Business

We have developed a network of molecular imaging centers for cancer patients through NHL. As depicted by the map below, we currently have five operating PET-CT scanners in our three imaging centers: two in Navi Mumbai, two in New Delhi and one in Hyderabad.



Since 2014, we have seen a growth in the number of scans on a quarterly basis, as demonstrated by the table below:

| Period            | Mumbai | New Delhi | Hyderabad | Total |
|-------------------|--------|-----------|-----------|-------|
| April - June 2014 | 936    | 1,092     | 22        | 2,050 |

|                                                 |       |       |     |        |
|-------------------------------------------------|-------|-------|-----|--------|
| June - September 2014                           | 1,016 | 1,465 | 204 | 2,685  |
| October - December 2014                         | 1,164 | 1,505 | 215 | 2,884  |
| January - March 2015                            | 1,501 | 1,778 | 275 | 3,554  |
| Total number of scans performed for Fiscal 2015 | 4,617 | 5,840 | 716 | 11,173 |
| April - June 2015                               | 1,585 | 2,016 | 344 | 3,945  |
| July – September 2015                           | 1,661 | 1,866 | 425 | 3,952  |

Our imaging centers operate PET-CT scanners, which provide molecular imaging to assist in cancer diagnosis, staging, monitoring of treatment efficacy and evaluation of disease recurrence. We offer two kinds of scans for cancer: a full-body screen and brain screen. PET-CT scanners are also used for cardiology, neurology, infection and inflammatory disease applications. Our planned network also includes medical cyclotrons that produce the radioactive bio-markers required for cancer imaging.

We have agreed to purchase 32 PET-CT systems and four cyclotrons from one of our vendors pursuant to a memorandum of understanding. Five PET-CT systems and one cyclotron have already been acquired and are already functional. Under the terms of the memorandum of understanding, for every four PET-CT scanners we purchase, subject to agreed terms and conditions, the vendor shall supply and install one PET-CT scanner free of charge. The vendor is responsible for safe installation, commissioning, calibration and demonstration of satisfactory functioning of all components and systems of the equipment we purchase from the vendor. We bear costs relating to manpower, infrastructure, day-to-day operations (air conditioning, electricity, etc.) installation and running of the equipment.

Patients for PET-CT scans are generally sourced through referring oncologists, hospitals we have relationships with and referring medical professionals. To promote our NHL business and the volume of scans conducted, we have reduced the price of PET-CT scans for such referring oncologists and hospitals.

In July of 2015, we entered into an outsourcing arrangement with NHL for the provision of certain periphery services to them. Our services include marketing, promotional and booking assistance, referrals and the solicitation of business through authorized service providers, patients and medical professionals. In consideration for the provision of our services, we pay NHL consideration on a monthly basis not less than 80% of the amount we charge to the respective patient and/or client.

### ***PET-CT Scanners***

PET-CT scanning is a nuclear medicine molecular imaging technique that provides the clinician with three-dimensional images and information about how organs and tissues inside the body are functioning at the molecular and cellular level. The majority of the studies in PET-CT are conducted using FDG, which is a radioactive isotope produced by cyclotron, such as our cyclotron at the molecular imaging center in Navi Mumbai. Prior to a PET-CT scan, the patient is injected with a small amount of FDG, which is a radioactive glucose. The radiotracer travels through the body and is localized in tumor or cancer cells as cancer cells tend to absorb glucose at a faster rate than normal body cells. The PET-CT scanner is composed of an array of detectors that receive radiations emitted by the radiotracer. The radiation energy absorbed by the detectors is converted into light energy. The light photons are then captured by the photomultiplier tubes in the detector system and converted into electric signals. Using reconstruction algorithms, the computer processes the signals into an image and provides information of the metabolic activity in various normal and pathological tissues. Accordingly, cancer tissues are detected as their metabolic activity is high compared to a normal tissue.

### ***Cyclotrons***

A cyclotron is a type of particle accelerator in which charged particles accelerate outwards from the center along a spiral path. Our cyclotron is used to produce FDG and other biomarkers that are used along with PET-CT scanners to diagnose and stage diseases like cancer, cardiac and certain neurology disorders. NHL acquired the cyclotron from us in March of 2015 for a consideration of ₹ 113.50 million pursuant to a slump sale agreement dated March 26, 2015 and addendum slump sale letter agreement dated September 29, 2015. For further details, see the section entitled “*History and Certain Corporate Matters*” on page 147.

Our cyclotron unit provides the FDG for our PET-CT scanners in Navi Mumbai and New Delhi as well as to

third party PET-CT imaging centers. As a result of the cost, short shelf life of the isotopes that constitute the FDG and impracticality of transporting FDG from Navi Mumbai to Hyderabad, we currently purchase the FDG requirements for our Hyderabad PET-CT scanners from third parties located in Hyderabad. We have entered into a FDG co-sharing arrangement with a third party corporation, pursuant to which we supply the third party and its affiliates with FDG produced by our cyclotron and purchase FDG produced at the third party's facilities for use in our molecular imaging center in Hyderabad. We also agreed to share certain quantities of FDG produced at our cyclotrons with one of our vendors, the value of which is deducted from the balance owing to such vendor for the equipment that we have purchased from them. Pursuant to this agreement, we currently supply free FDG to a third-party PET-CT facility in Pune.

We have received a layout approval from the AERB for our second cyclotron in Noida and intend to order a cyclotron for this facility in 2016. We expect that this facility will be functional by December 2016, and are currently in the process of identifying vendors for the civil, mechanical, electrical and plumbing activities.

## **Competition**

The principal competitive factors in the diagnostic testing market in India include:

- quality and confidence in our diagnostic results;
- speed of delivery of results;
- acceptance of our tests and products among health care professionals; and
- cost-effectiveness and pricing of our testing services.

We compete favorably on the factors described above. The diagnostic sector in India is growing but is still largely unorganized with a large number of small laboratories. Our competition however, is primarily from the organized sector, which includes private diagnostics chains.

## **Employees**

Our ability to maintain growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. To facilitate our growth, we have hired a number of additional employees across all sectors of our business since November 30, 2014. As of November 30, 2015, we had 705 employees (including lab engineers, marketing employees, finance/administration/corporate office/others, consultants responsible for reviewing and authorizing particular test results, nuclear medical professionals, trainees and those under contractual employment with the Company and our Subsidiary).

We devote significant resources to training our employees. We offer continuous learning programs for our employees and offer certified training programs for the medical technicians to meet the ever growing demand of the healthcare industry.

Our human resources and compensation practices proactively address the factors that impact retention. Our comprehensive rewards, recognition programs and opportunities help to ensure that our employees are motivated and performance oriented.

## **Sales and Marketing**

Sales and marketing efforts are conducted locally by authorized service providers and nationally by the Company. We recently set up an in-house marketing team and a network development team and have expanded our call center operations to augment our network. As of November 30, 2015, our teams consisted of 131 employees. Our employees are responsible for marketing our wellness and preventive health tests, profile offerings and our portfolio of tests directly to our hospitals, laboratories, pathologies and referring doctors, thus expanding our network of patients.

We advertise our services, particularly our Aarogyam wellness brand, through both digital marketing (e.g. emails, internet search engines, ad banners, remarketing and social networking websites) and print marketing (e.g. various magazine publications and yearly directories). We also partner with a number of leading Indian corporations in respect of the preventive diagnostic and wellness checkups of their employees.

## **Property**

The registered and corporate offices of our Company are located in Turbhe, Navi Mumbai, and are held by our Company on a leasehold basis. The CPL and our cyclotron facility in Navi Mumbai are also located on the same premises.

The RPLs in Coimbatore and Kolkata are held by our Company on a leasehold basis and are located on property leased from third parties. The RPLs in New Delhi and Hyderabad and proposed RPL in Bhopal are located on property held by our Company on a leave and license basis.

NHL owns molecular imaging center facilities located in Navi Mumbai and Hyderabad and leases the facilities located in New Delhi. The proposed facility in Noida will be set up on land held on a leasehold basis by NHL and the proposed facility in Coimbatore will be set up on the land owned by NHL.

## **Health, Safety and Environmental Matters**

We have established extensive requirements relating to workplace safety for our laboratories, whose workers may be exposed to blood-borne pathogens and other risks associated with the handling of samples. These procedures or measures are prepared based on international standards such as ISO and CAP. 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. Our fully automated processes for our barcoded vials also serve to prevent contamination by our workers to hazardous materials.

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.

The Company is subject to licensing and regulation under Indian federal, state and local laws and regulations relating to: (i) the protection of the environment; (ii) the handling, transportation and disposal of medical and hazardous waste and radioactive materials; and (iii) the treatment of effluents; (iv) water consumption; and (v) the monitoring of air quality. Bio-medical waste is picked up by an authorized waste transportation and disposal agency for collection, transportation, treatment and disposal. For further details, see the section entitled “*Regulations and Policies*” on page 136.

## **Intellectual Property**

We have registered the “Thyrocare”, “Aarogyam” and “Sugar Scan” trademarks in certain classes in India as well as the “Thyrocare” trademark in Egypt. “Nuclear” is a registered trademark held by Dr. A Velumani. We have also applied for registration of the “Thyrocare” trademark in Kuwait, Pakistan, Bangladesh, Bahrain, Oman, the United Arab Emirates and the Kingdom of Saudi Arabia. In addition, Dr. A. Velumani has applied for the registration of the “Whaters” trademark in certain classes in India.

## **Insurance**

We maintain a directors and officers’ liability insurance policy for claims made against our employees, directors and officers. We also maintain insurance policies covering our vehicles, fire and special perils insurance for certain facilities and premises, including the CPL, the RPLs, our cyclotron facility in Navi Mumbai and our PET-CT imaging centers in Navi Mumbai, and New Delhi and Hyderabad and the equipment contained therein.

We do not maintain insurance for any of our other sites or facilities. Where insurance has not been maintained, we may be exposed to indefinite liability in the future.

## **Corporate Social Responsibility**

Reaching out to underserved communities is part of our core values. We believe in the trusteeship concept, which entails transcending business interests and grappling with the “quality of life” challenges that underserved communities face and working towards making a meaningful difference to them.



Our vision is – “To actively contribute to the social and economic development of the communities of the areas in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country’s human development index”.

Our CSR policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the focus areas set forth under Schedule VII of Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014. To ensure implementation of our CSR Policy, the Board created a CSR Committee consisting of the Chairman and two members of the Board with one as an Independent Board member.

As a CSR initiative, we have installed solar panels on our premises in an effort to conserve energy and resources.

## REGULATIONS AND POLICIES

*The following description is a summary of certain sector specific laws and regulations applicable to companies providing diagnostic laboratory services under Indian law. The regulations and policies set out below are not exhaustive and are only intended to provide general information to the Bidders and are neither designed nor intended to be a substitute for professional advice. The statements below are based on the current provisions of applicable law, which are subject to change or modifications by subsequent legislative, regulatory, administrative or judicial decisions. Bidders should consult their own advisers regarding the implication of Indian regulations on companies providing diagnostic laboratory services, and consequently their investment in the Equity Shares.*

### **Radiation Laws**

#### **The Atomic Energy Laws and Rules**

*Atomic Energy Act, 1962 (the “Atomic Energy Act”)*

The Atomic Energy Act is an Act promulgated to prevent radiation hazards, ensure safe disposal of radioactive wastes and secure public safety and safety of persons handling radioactive substances. The Atomic Energy Act empowers the Central Government to regulate radioactive substances and machinery, equipment or appliances which generate radiation in excess of prescribed levels. The Atomic Energy 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 Act, among other things, mandates that no minerals, concentrates and other materials which contain prescribed substances be disposed off without the previous permission in writing of the Central Government. Further, the Atomic Energy Act provides that the Central Government may require a person to make periodical and other returns or such statements accompanied by plans, drawings and other documents as regards any prescribed substance in the Atomic Energy Act that can be a source of atomic energy and further states that the Central Government may prohibit among other things the acquisition, production, possession, use, disposal, export or import of any prescribed equipment or substance except under a license granted by it to that effect.

*The Atomic Energy (Radiation Protection) Rules, 2004 (the “Radiation Protection Rules”)*

In terms of the Atomic Energy Act, the Atomic Energy Regulatory Board (“AERB”) has been designated by the Central Government as the regulatory body responsible for granting, renewing, withdrawing and revoking consents for nuclear and radiation facilities. The AERB also exercises control over nuclear installations and the use of radioactive substances and radiation generating plants outside such installations.

The Radiation Protection Rules, issued under the Atomic Energy Act, provide that all persons handling radioactive material or operating any radiation generating equipment need to obtain a licence from a competent authority. Under the Radiation Protection Rules, various medical uses may require additional authorisations and registrations. The Radiation Protection Rules stipulate, amongst other things, that no person is to use any radioactive material for any purpose, in any location and in any quantity, other than in a manner specified in the licence and every employer must designate a “Radiological Safety Officer” and monitor radiation on a regular basis and maintain records with respect to every such radiation worker in the manner prescribed under the Radiation Protection Rules as well as assist in the safe disposal of radioactive waste.

The Radiation Protection Rules also require every licensee to comply with the surveillance procedures, safety codes and safety standards specified by the AERB. 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 of the Radiation Protection 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.

*The Radiation Surveillance Procedures for Medical Applications of Radiation, 1989 and the rules made thereunder*

The Radiation Surveillance Procedures for Medical Applications of Radiation, 1989 and the rules made thereunder were enacted with an objective to ensure that the employer carries out all procedures and operations involving radiation installations, radiation equipment and radioactive materials in conjunction with a pre-planned surveillance programme approved by the competent authority so as to ensure adequate protection. As a result, it provides for procedures applicable to the medical uses of radiation, including the commissioning and decommissioning of radiation equipment, working conditions in any radiation installation and appointment of a Radiological Safety Officer for implementation of the radiation program as well as disposal procedures for radioactive effluents. Any employer intending to use radiation equipment must acquire a licence or authorisation.

*The Safety Code for Medical Diagnostic X-Ray Equipment and Installations, 2001 (the “X-Ray Safety Code”)*

The Atomic Energy Regulatory Board outlines X-Ray Safety Code intended to govern radiation safety in design, installation and operation of X-ray generating equipment for medical diagnostic purposes. The X-Ray Safety Code stipulates that all medical X-ray machines are required to be operated in accordance with the requirements stipulated therein and that it is the responsibility of the owner or user of medical X-ray installation equipment to ensure compliance with the statutory provisions. The X-Ray Safety Code mandates that only the medical X-ray machines approved by the Atomic Energy Regulatory Board can be installed for use in compliance with the specific requirements of the X-Ray Safety Code, including in relation to location and layout. Additionally, under the X-Ray Safety Code, the owners of medical X-ray installations in India are required to be registered with Atomic Energy Regulatory Board and conduct quality assurance performance test of the X-ray unit. Violation of any licence issued under the Radiation Protection Rules or condition of the X-Ray Safety Code, may be punishable with fine or imprisonment, or both, depending on the severity of the offence.

*The Atomic Energy Regulatory Board specifies the Safety Code for Nuclear Medicine Facilities (the “Nuclear Medicine Facilities Code”)*

The AERB specifies the Nuclear Medicine Facilities Code in order to govern the operations of a Nuclear Medicine facility from the stage of setting up a facility to its decommissioning. Nuclear Medicine is a speciality which utilises radio-pharmaceuticals to investigate disorders of anatomy, physiology and patho-physiology, for diagnosis or treatment of diseases or both. The Nuclear Medicine Facilities Code stipulates that a nuclear medicine facility can be commissioned, decommissioned or re-commissioned only with the prior approval of the Atomic Energy Regulatory Board. The Nuclear Medicine Facilities Code further stipulates that radioactive material can only be procured after obtaining a licence from the Atomic Energy Regulatory Board. In addition to this, the Nuclear Medicines Facilities Code stipulates the responsibilities of employers, licensees, nuclear medicine physicians or technologists.

*AERB Safety Code on Transport of Radioactive Material AERB/SC/TR-1, 1986 (the “Transport Code”)*

The Transport Code which is based on the International Atomic Energy Agency regulations, regulates the transport of radioactive material in public domain. The basic requirement for the transport of radioactive material is that the package containing the material shall be designed and prepared in such a way that during the whole process of transport, the radioactive material remains contained to prevent contamination and remains shielded to avoid radiation exposure to cargo handlers and the public. The prime responsibility for ensuring compliance with the regulations lies with the consignor. Once the package is prepared as per the prescribed procedures, it can be transported by any mode. Transport documents should include (i) declaration by consignor; (ii) instructions to the carrier; and (iii) a Transport Emergency Card (“**TREMCARD**”) and instructions in writing to carrier for emergency measures. A TREMCARD includes the information on the primary steps to be taken in case of an emergency and the emergency contact numbers. In case of any incident reported on the way, it shall be promptly reported by the consignor to AERB.

*The Atomic Energy (Safe Disposal of Radioactive Wastes) Rules, 1987*

Under the Atomic Energy (Safe Disposal of Radioactive Wastes) Rules, 1987, an authorisation is necessary for any person to dispose of radioactive waste, and the waste may only be disposed of in the terms of such authorisation. The authorisation sets out the quantity and the location at which the waste may be disposed of and

the manner in which the waste is to be disposed of. An entity authorised to dispose waste under these rules is required to maintain records of the waste disposal and make quarterly filings with the competent authority.

### **Aircraft (Carriage of Dangerous Goods) Rules, 2003**

The Aircraft (Carriage of Dangerous Goods) Rules, 2003, issued by the Directorate General of Civil Aviation, Ministry of Civil Aviation govern the carriage of dangerous goods, namely articles or substances which are capable of posing a risk to health, safety, property or the environment and which are listed as such under the Technical Instructions for the Safe Transport of Dangerous Goods by Air issued by the International Civil Aviation Organisation (the “**Technical Instructions**”). Carriage of dangerous goods in any aircraft and delivery for loading on an aircraft has to be in accordance with the Technical Instructions. For the carriage of radioactive material in any aircraft, the operator is required to ensure that the consignor and consignee has the written consent of the Central Government under Section 16 of the Atomic Energy Act. The packaging, labelling, marking and classification of dangerous goods also have to be in accordance with Technical Instructions.

### **Laws Applicable to Diagnostic Laboratories**

#### *The Drugs and Cosmetics Act, 1940 (the “Drugs and Cosmetics Act”)*

The Drugs and Cosmetics Act regulates the import, manufacture, distribution and sale of drugs in India and provides for labelling, packing, testing and licensing of drugs. The manufacture, sale and distribution of drugs are primarily governed by relevant state authorities. Drugs manufactured/sold/distributed/imported have to meet the standards of quality set out in the Second Schedule to the Drugs and Cosmetics Act. Central Government can prohibit the import of drugs in public interest. The Central Government has issued the Drugs and Cosmetics Rules, 1945 (the “**Drugs and Cosmetics Rules**”) which mandate an import licence in the prescribed form for import of drugs. Such import licence will be valid for a period of three years from the date of its issue unless it is suspended or cancelled sooner. The imported drug has to meet the standard of strength, quality and purity. The Drugs and Cosmetics Rules also require a licence to sell, stock, exhibit or offer for sale or distribute drugs. This licence will be valid for a period of five years from the date of grant or renewal unless suspended or cancelled sooner.

#### *Registration of clinical establishments*

We are subject to the registration requirements and standards for maintaining a clinical establishment enacted by the state governments of the states where we own, maintain or operate establishments. Accordingly, we shall be subject to the relevant state law of Delhi and Maharashtra, namely Delhi Health Bill, 2015 and Maharashtra Clinical Establishment (Registration and Regulation) Bill, 2014 which are proposed to be passed respectively.

### **Environmental Laws**

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“**PCBs**”) which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the relevant PCBs.

#### *Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”)*

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board (“**State PCB**”). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

#### *Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”)*

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity. The State PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment

to be installed. Within a period of four months after the receipt of the application for consent, the State PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent.

*Environment Protection Act, 1986 (the “EPA”)*

The EPA has been enacted with an objective of protection and improvement of the environment and for matters connected therewith. As per this Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process.

*Environment (Protection) Rules, 1986 (the “Environment Rules”)*

The Environment Rules stipulate that every industry requiring consent under the environmental statutes or the rules made thereunder is required to submit an environment audit report for each financial year to the relevant PCB on or before September 30.

*Bio-Medical Waste (Management and Handling) Rules, 1998 (the “BMW Rules”)*

Under the BMW Rules every occupier of an institution generating, collecting, receiving, storing, transporting, treating, disposing and/or handling bio-medical waste and providing treatment/service to 1,000 or more patients per month shall apply to prescribed authority for grant of authorisation. The prescribed authority may cancel or suspend an authorisation if the occupier/operator has not complied with any provision of the Environment (Protection) Act, 1986 or the Rules. Every occupier has to submit an annual report to the prescribed authority by January 31 each year which includes information about the categories and quantities of bio-medical wastes handled during the preceding year and maintain records for the same.

*Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (the “Hazardous Wastes Rules”)*

The Hazardous Waste Rules define the term “hazardous waste” and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous waste is classified as an “occupier”. The Hazardous Wastes Rules stipulate that every person who is engaged in the generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the like of hazardous wastes is required to obtain authorization from the State PCB.

*Water (Prevention & Control of Pollution) Cess Act, 1977 (the “Water Cess Act”) and Water (Prevention & Control of Pollution) Cess Rules, 1978 (the “Water Cess Rules”)*

The Water Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the central and State PCB for the prevention and control of water pollution constituted under the Water Act. The Water Cess Rules have been notified under Section 17 of the Water Cess Act and provide, amongst other things, for the standards of the meters and places where they are to be affixed and the furnishing of returns by consumers.

**Consumer Protection Act, 1986 (the “CPA”)**

The Consumer Protection Act, 1986 came into effect on December 24, 1986. The CPA reinforces the interests and rights of consumers by laying down a mechanism for speedy grievance redressal. A consumer, his legal heir or representative, as defined under the CPA including a person who avails of any services for a consideration which has been paid in full or part or promised to be paid, any voluntary consumer association registered under any applicable law or numerous consumers having the same interest, or the Central or State Government may lodge a complaint before the district forum or any other appropriate forum under CPA, amongst other things, for (i) defective or spurious goods or services; (ii) unfair or restrictive trade practices; (iii) deficiency in services hired or availed; (iv) manufacture or provision of hazardous goods/services; and (v) misleading or false warranties or guarantee or representations by the manufacturer or service provider.

In addition to awarding compensations and/or corrective orders, the forums and commissions under CPA are empowered to impose imprisonment of not less than a month, but not exceeding three years, or a fine of not less than two thousand rupees, but not more than ten thousand rupees, or both.

### **Intellectual Property Legislations**

#### *The Trade Marks Act, 1999*

The Trade Marks Act, 1999 governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both statutory and common law. Indian trademarks law permits the registration of trademarks for goods and services. Certification trademarks and collective marks are also capable of being registered under the Trademarks Act. An application for trademark registration may be made by any person claiming to be the proprietor of a trademark and can be made on the basis of either current use or intention to use a trademark in the future. The registration of certain types of trademarks is absolutely prohibited, including trademarks that are not distinctive and which indicate the kind or quality of the goods, or which have become customary in the current language. While both registered and unregistered trademarks are protected under Indian law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. Registered trademarks may be protected by means of an action for infringement, whereas unregistered trademarks may only be protected by means of the common law remedy of passing off.

#### *The Patents Act, 1970*

The patent regime in India is governed by the Patents Act. Pursuant to the Patents (Amendment) Act, 2005, the Agreement on Trade Related Aspects of Intellectual Property Rights (“**TRIPS Agreement**”) product patent regime became applicable in India. The patent regime protects inventions through patents. The amended Act defines ‘inventive step’ to mean a feature of an invention that involves a technical advance as compared to the existing knowledge, having economic significance or have significant industrial application. Any person claiming to be the true and first inventor of the invention or the assignee of the true and first inventor may apply for a patent for an invention. In addition to domestic law, India is a party to international intellectual property related instruments as well including the Patent Co-operation Treaty, 1970.

#### *Other Intellectual Property Laws*

In addition to domestic laws, India is also a party to several international intellectual property related instruments including the Paris Conventions for the Protection of Industrial Property, 1883, the International Convention for the Protection of Literary and Artistic Works adopted at Berne in 1886, the Universal Copyright Convention adopted at Geneva in 1952, the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations, 1961, and as a member of the World Trade Organisation is a signatory to the TRIPS Agreement which became effective on January 1, 1995.

### **IT Related Laws**

Certain IT-related laws such as Information Technology Act, 2000, which provides legal recognition to electronic records and creates a mechanism for authentication of electronic documentation through digital signatures, the Information Technology (Reasonable Security procedures and Sensitive Personal Data or Information) Rules, 2011 and certain state specific laws such as Information Technology Enabled Services Policy, 2015 framed by State of Maharashtra are applicable to us.

### **Tax Related Laws**

The following is an indicative list of tax related laws that are applicable to our Company:

- Central Excise Act, 1944;
- Value Added Tax, 2005;
- Maharashtra Value Added Tax Act, 2002;
- Income Tax Act, 1961;
- Customs Act, 1962;

- Central Sales Tax Act, 1956;
- Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975; and
- various service tax notifications.

### **Labour Laws**

The following is an indicative list of labour laws applicable to the business and operations of Indian companies engaged in manufacturing activities:

- Employees (Provident Funds and Miscellaneous Provisions) Act, 1952;
- Employees State Insurance Act, 1948;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Equal Remuneration Act, 1976;
- Maternity Benefit Act, 1961;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; and
- Employees Compensation Act, 1923.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was incorporated as Thyrocare Technologies Limited on January 28, 2000 at Mumbai as a public limited company under the Companies Act, 1956. Our Company obtained a certificate of commencement of business on March 7, 2000.

As of the date of this Draft Red Herring Prospectus, our Company has 17 Shareholders.

For information on our Company's profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major vendors and suppliers, see sections entitled "Our Management", "Our Business" and "Industry Overview" on pages 151, 115 and 98, respectively.

### Changes in Registered Office

The details of changes in the registered office of our Company are set forth below:

| Date of change  | Details of the address of Registered Office                                                                                                 |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| July 15, 2003   | From UTI Building, Khot Road, Ghatkopar, Mumbai 400 086 to Thyrocare House, Opposite Tikujiniwadi, Thane (West), Mumbai 400 615.            |
| January 1, 2010 | From Thyrocare House, Opposite Tikujiniwadi, Thane (West), Mumbai 400 615 to D/37-1, TTC Industrial Area, MIDC Turbhe, Navi Mumbai 400 703. |

The changes in the Registered Office were made: (i) to ensure greater operational efficiency; and (ii) to meet growing business requirements.

### Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

*"To carry on the business of setting up hospitals, clinics, diagnosis center for thyroid disorders and for teaching, training and imparting practical knowledge in diagnostics and pathology and conducting specialty clinics, by appointing medical and paramedical professionals for diagnosis and therapy of various health care aspects in particular Thyrocare, thyroid disorders.*

*To promote, set-up, develop, construct, fabricate, organize, co-ordinate, support, assist, run, carryout, take/give, purchase, sell , acquire, distribute, transfer, hire, lease, use, dispose off , import, export, license, revoke, assemble, record, maintain, repair, recondition, work, alter, convert, improve, procure, install, analyze, integrate, enhance, modify, test, enter into contracts, agreements, business deals, operate and establish in India or abroad, either on its own or through joint ventures or to act as a consultant, agent, broker, franchiser/(ee) , job worker, representative, adviser or otherwise to provide end-to-end web hosting, web designing, web advertising, web intelligence, web management, internet Service, network security solutions, extranet application service facilities for electronic commerce, electronic governance, public key infrastructure (PKI) solution including verification of signatures on internet i.e. digital verification of signatures, digital certificate, web server certificate, object certificate, customized public key information (PKI) and to provide facilities for all branches of computer and management science and technologies; to deal in all kinds of computer software, hardware and systems, LAN/ WAN, network machinery and equipment dealing with receipt, storage and transfer of multimedia like data, graphics, audio and video, establish Internet or data center facilities, services and applications and establish and carryout all such related activities and services that may be necessary, ancillary and incidental thereto and/or can conveniently be carried out."*

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 since the incorporation of our Company:

| Date of Shareholders' Resolution | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| December 18, 2000                | Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹100,000 divided into 10,000 equity shares of face value of ₹10 each was increased to ₹5,000,000 divided into 500,000 equity shares of ₹10 each.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| June 8, 2001                     | Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹5,000,000 divided into 500,000 equity shares of face value of ₹10 each was increased to ₹10,000,000 divided into 1,000,000 equity shares of ₹10 each.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| June 22, 2001                    | Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹10,000,000 divided into 1,000,000 equity shares of face value of ₹10 each was increased to ₹15,000,000 divided into 1,500,000 equity shares of ₹10 each.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| November 5, 2003                 | Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹15,000,000 divided into 1,500,000 equity shares of face value of ₹10 each was increased to ₹30,000,000 divided into 3,000,000 equity shares of ₹10 each.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| December 22, 2005                | Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹30,000,000 divided into 3,000,000 equity shares of face value of ₹10 each was increased to ₹110,000,000 divided into 11,000,000 equity shares of ₹10 each.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| June 24, 2008                    | Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹110,000,000 divided into 11,000,000 equity shares of face value of ₹10 each was increased to ₹120,000,000 divided into 12,000,000 equity shares of ₹10 each.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| December 7, 2010                 | <p>Clause III(A) of the Memorandum of Association was amended to reflect the change in the main objects of the Company through the insertion of the following:</p> <p><i>“1A To promote, set-up, develop, construct, fabricate, organize, co-ordinate, support, assist, run, carryout, take/give, purchase, sell , acquire, distribute, transfer, hire, lease, use, dispose off , import, export, license, revoke, assemble, record, maintain, repair, recondition, work, alter, convert, improve, procure, install, analyze, integrate, enhance, modify, test, enter into contracts, agreements, business deals, operate and establish in India or abroad, either on its own or through joint ventures or to act as a consultant, agent, broker, franchiser/(ee), job worker, representative, adviser or otherwise to provide end-to-end web hosting, web designing, web advertising, web intelligence, web management, internet Service, network security solutions, extranet application service facilities for electronic commerce, electronic governance, public key infrastructure (PKI) solution including verification of signatures on internet i.e. digital verification of signatures, digital certificate, web server certificate, object certificate, customized public key information (PKI) and to provide facilities for all branches of computer and management science and technologies; to deal in all kinds of computer software, hardware and systems, LAN/ WAN, network machinery and equipment dealing with receipt, storage and transfer of multimedia like data, graphics, audio and video, establish Internet or data center facilities, services and applications and establish and carryout all such related activities and services that may be necessary, ancillary and</i></p> |

| Date of Shareholders' Resolution | Particulars                                                                                                                                                                                                                                                                                 |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                  | <i>incidental thereto and/or can conveniently be carried out.”</i>                                                                                                                                                                                                                          |
| May 7, 2014                      | Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹120,000,000 divided into 12,000,000 equity shares of face value of ₹10 each was increased to ₹150,000,000 divided into 15,000,000 equity shares of ₹10 each. |
| August 21, 2014                  | Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹150,000,000 divided into 15,000,000 equity shares of face value of ₹10 was increased to ₹1,000,000,000 divided into 100,000,000 equity shares of ₹10 each.   |

### Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

| Year | Particulars                                                                                                                                                                                                                                                                                                 |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2000 | Our Company was incorporated in the name and style of 'Thyrocare Technologies Limited' and received a certificate for commencement of operations.                                                                                                                                                           |
| 2001 | Our Company received ISO 9001 certification.<br><br>Our Company commenced commercial operations under the brand name 'Thyrocare' pursuant to the acquisition of business of TDPL and TBPL (which were incorporated in 1996).                                                                                |
| 2005 | Our Company received NABL accreditation.                                                                                                                                                                                                                                                                    |
| 2006 | Our Company issued certain fully convertible debentures aggregating to ₹ 250 million to BCCL.                                                                                                                                                                                                               |
| 2007 | Our Company receives accreditation from the College of American Pathologists (CAP).                                                                                                                                                                                                                         |
| 2010 | Our Company issued certain compulsorily convertible debentures aggregating to ₹250 million to Agalia. Agalia also acquired certain Equity Shares aggregating to ₹1,250 million from our Promoters and certain other persons.<br><br>Our Company launched wellness packages under the brand name "Aarogyam". |
| 2011 | Our Company migrated to 'total laboratory automation system' installed by Siemens for efficient handling of increasing volumes.                                                                                                                                                                             |
| 2012 | NVP acquired certain Equity Shares aggregating to ₹ 1,200 million from certain entities.                                                                                                                                                                                                                    |
| 2013 | EIF acquired certain Equity Shares from Agalia.<br><br>Our Subsidiary commenced operations at the PET-CT centres at Navi Mumbai and conducted over 1,000 scans in the first year of operation.                                                                                                              |
| 2014 | Our Company had installed, India's first and the world's longest track automation system for seamless sample movements from Siemens Limited.<br><br>Our Company commissioned the operations in medical cyclotron facility in Navi Mumbai.                                                                   |

| Year | Particulars                                                                                                                                                                                                                                                                                             |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      | Our Subsidiary commenced operations at the PET-CT centres in New Delhi and Hyderabad and the PET-CT centres at New Delhi conducted over 1,000 scans in the first year of operations.                                                                                                                    |
| 2015 | Our Company opened RPLs in Delhi, Coimbatore, Hyderabad and Kolkata to expand its coverage and volume of tests and samples processed daily.                                                                                                                                                             |
|      | Our Company acquired the equipment for testing of water samples and commenced operating the equipment under the brand name “WHATERS”. These tests, at present, include physical and chemical testing, elements testing, microbiology testing, pesticide testing and volatile organic compounds testing. |
|      | Our Subsidiary has completed over 10,000 scans at the PET-CT centres in New Delhi, over 10,000 scans at the PET-CT centres in Navi Mumbai from the date of inception and over 1,000 scans at the PET-CT centres in Hyderabad since inception.                                                           |

### Corporate Profile of our Company

For details in relation to our corporate profile including details of our business, geographical presence, growth, competition, products, suppliers, customers, capacity build-up, technology, and managerial competence, please see sections entitled “*Our Business*” and “*Our Management*” on pages 115 and 151, respectively.

### Our Holding Company

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

### Our Subsidiary

As of the date of this Draft Red Herring Prospectus, our Company has one subsidiary. For details regarding our Subsidiary, see section entitled “*Our Subsidiary*” on page 149.

### Capital raising activities through equity or debt

For details regarding our capital raising activities through equity and debt as applicable, see section entitled “*Capital Structure*” on page 72.

### Injunctions or restraining order against our Company

As of the date of this Draft Red Herring Prospectus, there are no injunctions or restraining orders against our Company.

### Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets

Except as stated below, our Company has not acquired any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets.

### Memorandum of Understanding between TBPL and our Company dated March 29, 2001

Our Company had entered into a memorandum of understanding dated March 29, 2001 (the “**TBPL MoU**”) with TBPL, pursuant to which the entire business of TBPL, comprising of conducting diagnostic tests for thyroid and other disorders at laboratory was transferred to our Company with effect from April 1, 2001. In terms of the TBPL MoU, the entire assets and liabilities of TBPL, as on March 31, 2001, were transferred to the Company on an ‘as is where is’ basis. Our Company acquired the business of TBPL at its book value.

### Memorandum of Understanding between TDPL and our Company dated March 29, 2001

Our Company had entered into a memorandum of understanding dated March 29, 2001 (the “**TDPL MoU**”) with TDPL, pursuant to which the entire business of TDPL, comprising of conducting diagnostic tests for thyroid and other disorders at laboratory was transferred to our Company with effect from April 1, 2001. In

terms of the TDPL MoU, the entire assets and liabilities of TDPL, as on March 31, 2001, were transferred to the Company on an 'as is where is' basis. Our Company acquired the business of TDPL at its book value.

## **Summary of Key Agreements**

### ***Investment Agreements***

An investment agreement dated December 23, 2010, was entered into amongst the Company, K. Selvaraj, A. Rathinaswamy, Susila Selvaraj Naidu, Vasanthamani R., A. Rathinaswamy HUF, A. Sundararaju, A. Sundararaju HUF, A. Velumani HUF, Anand Velumani, Arokiaswamy Sayammal Naidu, Bhamini Sundararaju Naidu, Dr. A. Velumani, Peranaidu Arokiaswamy, Rao Rajgopal J K, Thyrocare Properties, Thyrocare Publications and Agalia (the "**First Investment Agreement**"), as amended through share purchase cum shareholders adherence cum amendment agreement dated September 24, 2012, entered into amongst the Company, Dr. A. Velumani, A Velumani HUF, A. Sundararaju, A. Sundararaju HUF, Thyrocare Properties, Thyrocare Publications, MAPL, SCPL (previously known as Navkamna Marketing Private Limited), SIPL (previously known as Alexandra Vinimay Private Limited), Sumathi Velumani, Agalia and NVP (the "**Second Investment Agreement**") and together with the First Investment Agreement, the "**Investment Agreement**").

Pursuant to the First Investment Agreement, Agalia purchased 2,598,420 Equity Shares from our Promoters and other parties for an aggregate consideration of ₹ 1,250 million and subscribed to 377,500 Agalia CCDs for an aggregate consideration of ₹ 250 million. Pursuant to the Second Investment Agreement, NVP purchased 787,500 Equity Shares from SCPL and 478,720 Equity Shares from SIPL for an aggregate consideration of ₹ 1,200.12 million.

The Investment Agreement provides for certain special shareholders' rights and obligations to Agalia and NVP, including affirmative voting rights on certain reserved matters, anti-dilution rights, tag along rights and drag along rights, put option, pre-emption rights, information rights and the right to nominate Directors to the Board.

Subsequently, pursuant to the share acquisition terms agreement dated September 2, 2013 entered into between Agalia and EIF and the agreement to adhere to the Share Acquisition Terms Agreement dated September 2, 2013, entered into amongst the Company, our Promoters and EIF (the "**Share Acquisition Agreement**"), EIF purchased 235,370 Equity Shares from Agalia for an aggregate consideration of ₹ 250 million. In terms of the Share Acquisition Agreement, Agalia's rights under the Investment Agreement, excluding the right to nominate directors to the Board, were extended to EIF, along with the right to nominate an observer on the Board, so long as EIF continues to hold Equity Shares in the Company, as specified in the Share Acquisition Agreement.

Pursuant to the debenture transfer agreement dated July 23, 2014 entered into amongst our Company, our Promoters, Agalia, Sumathi Velumani, Anand Velumani, Amruta Velumani, A. Velumani HUF, A. Sundararaju HUF, S. Bhamini, A. Rathinaswamy, Rao Rajagopal J.K, R. Vasanthamani, K. Selvaraj, Susila Selvaraj, P. Arokiaswamy, A. Sayammal, A. Rathinaswamy HUF, Thyrocare Properties, Thyrocare Publications, MAPL, SIPL, Agalia gifted 248,775 Agalia CCDs to our Promoters, A. Velumani HUF, Amruta Velumani, Anand Velumani and Sumathi Velumani.

The Agalia CCDs were converted into Equity Shares on August 23, 2014.

Pursuant to letters of gift dated September 19, 2014 and September 15, 2014, Samara Capital Partners Fund I Limited and Agalia have respectively gifted 5,237 and 54,315 Equity Shares to Dr. A. Velumani.

Further, Agalia, NVP and EIF have entered into an amendment agreement dated December 29, 2015 (the "**Amendment Agreement**") with our Company, our Promoters and others, pursuant to which the Investment Agreement and the Share Acquisition Agreement shall terminate and shall cease to have any force and effect upon the finalisation of the Basis of Allotment for the Offer.

### ***Agreements relating to our Subsidiary***

Our Company, our Subsidiary, Agalia and Susila Selvaraj, Dr. A. Velumani, A. Sundararaju, Anand Velumani, Sumathi Velumani, Amruta Velumani, Rao Rajgopal JK, A. Velumani HUF (together with Susila Selvaraj, Dr. A. Velumani, A. Sundararaju, Anand Velumani, Sumathi Velumani, Amruta Velumani, Rao Rajgopal JK, the "**NHL Promoters**") entered into an investment agreement dated August 24, 2011 (the "**Initial Investment Agreement**") pursuant to which Agalia subscribed to 3,500,000 equity shares of our Subsidiary for an aggregate consideration of ₹ 380 million.

Subsequently, in terms of the investment agreement dated January 14, 2013 entered into amongst our Company, our Subsidiary, Agalia, NVP and NHL Promoters, NVP invested in our Subsidiary through subscription to 1,111,000 equity shares of NHL for an aggregate consideration of ₹222 million. Upon the completion of this agreement, the rights under the Initial Investment Agreement terminated.

Pursuant to a share purchase agreement dated May 28, 2014 entered into between Agalia and our Company, Agalia sold 3,500,000 equity shares, constituting its entire shareholding in our Subsidiary, to our Company, for an aggregate consideration of ₹600 million.

Pursuant to a letter of sale dated September 24, 2014 entered into amongst NVP and the promoters of our Subsidiary, NVP sold 1,111,000 equity shares, constituting its entire shareholding in our Subsidiary, to the promoters for an aggregate consideration of ₹2,060 million.

Our Company entered into a letter agreement dated June 17, 2015 (the “**Letter Agreement**”) with our Subsidiary for availing of the PET-CT scan services of our Subsidiary located at Navi Mumbai, Hyderabad and New Delhi by our Company (the “**Services**”) for its patients or clients, as applicable (the “**Clients**”). In terms of the Letter Agreement, the consideration to be paid by our Company to our Subsidiary shall not be less than 80% of the amount charged by our Company to the Clients. Such payments are required to be paid to our Subsidiary as specified in the Letter Agreement.

#### ***Agreements relating to BCCL***

Pursuant to a convertible debenture subscription agreement dated May 30, 2006 entered into amongst our Company, our Promoters, Thyrocare Publications, Thyrocare Properties, TBPL, TDPL, A. Velumani HUF, A. Sundararaju HUF, A. Rathinaswamy HUF, J K Rao, J K Rao HUF, MAPL, S. Bhamini, J K Sarladevi, K. Selvaraj, A. Sayammal, R. Vasanthamani, A. Rathinaswamy, Susila Selvaraj, SCPL, Sumathi Velumani, Rajagopal Rao, P. Arokiawamy and BCCL (“**CDS Agreement**”), our Company had issued 250,000 zero per cent fully convertible debentures, with a face value of ₹1,000.00 each to B CCL (“**Debentures**”), for an aggregate consideration of ₹ 250 million. The Debentures were converted into 705,000 fully paid Equity Shares on July 1, 2008.

Our Company, our Promoters and other parties entered into a memorandum of understanding dated March 6, 2009 with BCCL to buy back 352,500 Equity Shares from BCCL. Pursuant to the Company’s Letter of Offer dated August 1, 2009, 303,000 Equity Shares were bought back from BCCL. Subsequently, BCCL has sold 277,500 Equity Shares to Samara Capital Partners Fund I Limited. BCCL currently holds 300,000 Equity Shares of our Company.

Pursuant to the terms of the memorandum of understanding dated March 6, 2009, our Company, our Promoters and other parties entered into an amendment to the convertible debenture subscription agreement dated September 27, 2010 with BCCL (“**Amendment to CDS Agreement**”). The Amendment to CDS Agreement provides that the CDS Agreement shall stand terminated upon BCCL ceasing to hold any part of the shares held by BCCL.

#### ***Agreements relating to the Slump Sale***

***Slump Sale Agreement entered into between our Company and NHL dated March 26, 2015 and an addendum slump sale letter agreement dated September 29, 2015 (collectively, the “Slump Sale Agreements”)***

Pursuant to an internal restructuring (the “**Restructuring**”), the radioactivity business of our Company, comprising of a medical cyclotron unit (the “**Unit**”), was transferred to NHL, its now wholly owned subsidiary, on a going concern basis through a slump sale, for an aggregate consideration of ₹ 113.50 million (the “**Business Transfer**”).

For effecting the Restructuring and the Business Transfer, our Company and NHL entered into the Slump Sale Agreements. The completion of the Business Transfer under the Slump Sale Agreements was subject to the fulfilment of the specified conditions precedents, which included, amongst other things, the execution of transfer deeds in relation to the land on which the Unit is located (the “**Unit Land**”), in favour of NHL. The Unit Land forms part of the plot of land that has been leased to our Company through a deed of assignment dated February 13, 2007 of the lease agreement dated December 24, 1987 entered into between certain third parties and the MIDC (collectively, the “**MIDC Agreements**”). In terms of the MIDC Agreements, our Company is required to make an application for consent from MIDC for the transfer of the Unit Land or assignment of the MIDC

Agreements. Our Company has made an application dated December 18, 2015 to the MIDC, seeking its permission to sub-lease the Unit Land to NHL as required under the Slump Sale Agreements. Pending receipt of the approval from MIDC, our Company has neither transferred nor sub-leased the Unit Land to NHL. However, our Company has entered into a memorandum of understanding with NHL dated December 16, 2015 for sub-lease of the Unit Land, subject to receipt of approval from MIDC.

Furthermore, the approvals and licenses required for operating the Unit (the “**Unit Approvals**”) were issued to our Company and are yet to be transferred to NHL. The Business Transfer and the transfer of the Unit Approvals are subject to the prior approval of the AERB, for which our Company has made an application dated December 18, 2015.

In addition, the Slump Sale Agreements provide that the employees of our Company who were responsible for operating the Unit shall continue to operate the Unit and shall become the employees of NHL from the closing date, simultaneously with the Business Transfer.

Pursuant to the Slump Sale Agreements, NHL has been operating the Unit with effect from April 1, 2015, and our Company has been receiving service charges from NHL.

### **Financial and Strategic Partners**

Our Company does not have any financial and strategic partners as of the date of filing this Draft Red Herring Prospectus.

## OUR SUBSIDIARY

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

Nuclear Healthcare Limited, is the wholly owned subsidiary of our Company.

### Details of our Subsidiary

#### Corporate Information:

NHL was incorporated on January 31, 2011 under the Companies Act, 1956 at Mumbai and received the certificate of commencement of business on February 24, 2011. Pursuant to the share purchase agreement dated May 28, 2014, Agalia transferred 3,500,000 equity shares of NHL to our Company and consequently our holding in NHL increased to 49.50%. Further, pursuant to the allotment of Equity Shares on November 15, 2014 to SIPL, an erstwhile shareholder of NHL, on a preferential basis, as consideration for the acquisition of equity shares of NHL by our Company, our Company's holding in NHL increased to 58.50%, as a result of which, NHL became our subsidiary. Pursuant to the allotment of Equity Shares on December 16, 2015 to Dr. A. Velumani, Sumathi Velumani, Anand Velumani, Amruta Velumani, A. Velumani HUF and A. Sundararaju, erstwhile shareholders of NHL, on a preferential basis, as consideration for acquisition of shares of NHL by our Company, NHL became a wholly owned subsidiary of our Company.

It is involved in the business of testing, analysis, establishing and setting up of diagnostic centres in the field of nuclear scanning, PETCT scanning, radiology imaging techniques, x-rays, sonography, mammography bsa, whole body computerised axial topography, cardiac magnetic resonance induction, colour dappling, and such other technologies and techniques that may be introduced in the future to carry out diagnostic testing and analysis in living beings, manufacturing or distributing of diagnostic and testing equipments, conducting micro biological, toxilological and bio availability studies and rendering consultancy and training in these fields.

#### Capital Structure

|                                        | No. of equity shares of ₹ 10 each |
|----------------------------------------|-----------------------------------|
| Authorised capital                     | 15,000,000                        |
| Issued, subscribed and paid-up capital | 11,111,000                        |

#### Shareholding Pattern

The shareholding pattern of Nuclear Healthcare Limited is as follows:

| Sr. No. | Name of the shareholder        | No. of equity shares of ₹ 10 each | Percentage of total equity holding (%) |
|---------|--------------------------------|-----------------------------------|----------------------------------------|
| 1.      | Thyrocare Technologies Limited | 11,111,000                        | 100                                    |
|         | <b>Total</b>                   | <b>11,111,000</b>                 | <b>100</b>                             |

#### Other Confirmations

1. There are no accumulated profits or losses of our Subsidiary not accounted for by our Company.
2. Our Subsidiary has not made any public or rights issue in the last three years.
3. Our Subsidiary is not listed on any stock exchange in India or abroad.
4. Our Subsidiary has not become a sick company under the meaning of SICA and is not under winding up.

#### Interest of our Subsidiary in our Company

Our Subsidiary does not hold any Equity Shares in our Company.

Our Subsidiary does not have any business interest in our Company except as stated in section entitled “*Our Business*” and “*Related Party Transactions*” on pages 115 and 174 respectively.

### **Material Transactions**

Other than as disclosed in section entitled “*Related Party Transactions*” on page 174, there are no sales or purchase between our Subsidiary and our Company where such sales or purchases exceed in value in the aggregate 10.00% of the total sales or purchases of our Company.

### **Common Pursuits**

Our Subsidiary is engaged in activities similar to that of our Company. Our Company has adopted the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise. Further, as disclosed in the section entitled “History and Certain Corporate Matters”, our Company has entered into a letter agreement dated June 17, 2015 (the “**Letter Agreement**”) with our Subsidiary for availing of the PET-CT scan services of our Subsidiary located at Navi Mumbai, Hyderabad and New Delhi by our Company (the “**Services**”) for its patients or clients, as applicable, pursuant to which our Company is required to pay certain amounts as specified in the Letter Agreement.



## OUR MANAGEMENT

In terms of the Articles of Association, our Company shall not have less than three and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of eight Directors.

The following table sets forth details regarding our Board:

| Name, Father's / Husband's Name, Designation, Address, Occupation, Nationality Term and DIN                                                                                                                                                                                                                                                                                                                                       | Age (in years) | Other Directorships                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Dr. A. Velumani</p> <p><b>Father's Name:</b> P. Arokiasamy</p> <p><b>Designation:</b> Chairman, CEO and Managing Director</p> <p><b>Address:</b> D-37/1, TTC MIDC, Next to Allana Cold Storage, Vashi, Navi Mumbai 400 703</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Three years from April 1, 2014 to March 31, 2017</p> <p><b>DIN:</b> 00002804</p>                           | 57             | <p>(1) NHL</p> <p>(2) THL</p> <p>(3) Thyrocare International Limited</p>                                                                                                                                                                                                                                                                                                        |
| <p>A. Sundararaju</p> <p><b>Father's name:</b> P. Arokiasamy</p> <p><b>Designation:</b> Executive Director and Chief Financial Officer</p> <p><b>Address:</b> A- 02, 01, Crimson Dawn, Pricol Apartment, Nava India Road, Peelamedu, Coimbatore 641 004</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Three years from April 1, 2014 to March 31, 2017</p> <p><b>DIN:</b> 00003260</p> | 57             | <p>(1) Dee Anu Trading Co. Limited</p> <p>(2) Mahima Advertising Private Limited</p> <p>(3) NHL</p> <p>(4) Pavilion Commercial Private Limited</p> <p>(5) SCPL</p> <p>(6) SIPL</p> <p>(7) TBPL</p> <p>(8) TDPL</p> <p>(9) THL</p> <p>(10) Thyrocare International Limited</p> <p>(11) Thyrocare Properties</p> <p>(12) Thyrocare Publications</p> <p>(13) Total Diagnostics</p> |
| <p>Sumathi Velumani</p> <p><b>Husband's name:</b> Dr. A. Velumani</p> <p><b>Designation:</b> Non- Executive Director</p> <p><b>Address:</b> D-37/1, TTC MIDC, Next to Allana Cold Storage, Vashi, Navi Mumbai 400 703</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p>                                                                                                                                    | 55             | <p>(1) SCPL</p>                                                                                                                                                                                                                                                                                                                                                                 |

| Name, Father's / Husband's Name, Designation, Address, Occupation, Nationality Term and DIN                                                                                                                                                                                                                                                                                        | Age (in years) | Other Directorships |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------|
| <b>Term:</b> Liable to retire by rotation<br><b>DIN:</b> 00002812                                                                                                                                                                                                                                                                                                                  |                |                     |
| Gopal Shivram Hegde<br><b>Father's name:</b> Shivaram Anant Hegde<br><b>Designation:</b> Independent Director<br><b>Address:</b> 134, Aram Nagar II, Versova Road, Andheri (West), Mumbai 400 061<br><b>Occupation:</b> Professional<br><b>Nationality:</b> Indian<br><b>Term:</b> Five years from August 21, 2014 to August 20, 2019<br><b>DIN:</b> 00157676                      | 56             | (1) NHL             |
| Vishwas Kulkarni<br><b>Father's name:</b> Madhav Kulkarni<br><b>Designation:</b> Independent Director<br><b>Address:</b> B-504, 5 <sup>th</sup> Floor, Raunak Tower, Off. Gokhale Road, Naupada, Thane, Mumbai 400 602<br><b>Occupation:</b> Professional<br><b>Nationality:</b> Indian<br><b>Term:</b> Five years from August 21, 2014 to August 20, 2019<br><b>DIN:</b> 06953750 | 54             | Nil                 |
| N. Palanisamy<br><b>Father's name:</b> V. Narayanasamy<br><b>Designation:</b> Independent Director<br><b>Address:</b> 4/7, Savithri Garden, Chinthamani Pudur, Irugur, Coimbatore 641 103<br><b>Occupation:</b> Service<br><b>Nationality:</b> Indian<br><b>Term:</b> Five years from September 20, 2014 to September 19, 2019<br><b>DIN:</b> 06972368                             | 67             | Nil                 |

| Name, Father's / Husband's Name, Designation, Address, Occupation, Nationality Term and DIN                                                                                                                                                                                                                                                                                                               | Age (in years) | Other Directorships                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------|
| <p>Dr. Neetin S. Desai</p> <p><b>Father's name:</b> Shivajirao G. Desai</p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> CH-2, Flat No. 44, Kendriya Vihar, Sector No-11, Kharghar, Mumbai 410 210</p> <p><b>Occupation:</b> Service</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Five years from September 20, 2014 to September 19, 2019</p> <p><b>DIN:</b> 02622364</p> | 46             | (1) Stemrx Bioscience Solutions Private Limited                                                                                       |
| <p>Sohil Chand</p> <p><b>Father's name:</b> Rohitasava Chand</p> <p><b>Designation:</b> Nominee Director</p> <p><b>Address:</b> B-19, Defence Colony, New Delhi 110 024</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Not liable to retire by rotation</p> <p><b>DIN:</b> 02170052</p>                                                                     | 37             | <p>(1) Nationwide Primary Healthcare Services Private Limited</p> <p>(2) NHL</p> <p>(3) NVP Venture Capital India Private Limited</p> |

#### Relationship between our Directors

Except as stated below, none of Directors are related to each other:

- (i) Dr. A. Velumani is the husband of Sumathi Velumani and the brother of A. Sundararaju;
- (ii) Sumathi Velumani is the wife of Dr. A. Velumani; and
- (iii) A. Sundararaju is the brother of Dr. A. Velumani.

#### Brief Biographies of Directors

**Dr. A. Velumani** is the Chairman, CEO and Managing Director of our Company. He is a graduate in science from the University of Madras and has a post graduate degree in science from the University of Bombay and a doctorate in philosophy (science) from the University of Bombay. He has over 19 years of experience in the diagnostics business. He set up TBPL and TDPL in 1996 which were subsequently acquired by our Company in 2000. He has been heading the business of our Company for over 15 years. Prior to that, he worked for over 12 years as a scientific officer specialising in immunodiagnostics in general and radioimmunoarrays in particular, at the Bhabha Atomic Research Centre. He standardised various immuno, analytical and biotechnological techniques during his tenure at the Bhabha Atomic Research Centre. He was awarded the Brig. S.K. Mazumdar Memorial Oration Award in 2001. He is a life – time member of the Society of Nuclear Medicine, India. He has been a Director on our Board since incorporation.

**A. Sundararaju** is an Executive Director and Chief Financial Officer of our Company. He is a graduate in law from the University of Bombay. He has over 18 years of experience in finance, legal and administrative activities. He has been in charge of the finance, legal, administrative and franchisee departments of our Company since 1996. He has been a Director on our Board since incorporation.

**Sumathi Velumani** is a Non-Executive Director of our Company. She is a graduate in science from the University of Bombay. She has over 16 years of experience in diagnostics business. She has been a Director on our Board since incorporation and was previously our Chief Administration Officer.

**Gopal Shivram Hegde** is an Independent Director of our Company. He is a graduate in law from the University of Bombay. He has more than 20 years of experience in the legal profession. He was appointed on our Board as an Independent Director on August 21, 2014.

**Vishwas Kulkarni** is an Independent Director of our Company. He is a graduate in commerce from the University of Bombay and is a graduate in law from University of Bombay. He has more than 20 years of experience in the legal profession. He was appointed on our Board as an Independent Director on August 21, 2014.

**N. Palanisamy** is an Independent Director of our company. He holds a diploma in mechanical engineering from the State Board of Technical Education and Training, Madras. He has work experience of 10 years. Previously, he worked with SIV Industries Ltd., Sirumugai. He is currently working as a freelance consultant for turnkey projects. He was appointed on our Board as an Independent Director on September 20, 2014.

**Dr. Neetin S. Desai** is an Independent Director of our Company. He is a graduate in science from Rajaram College, Shivaji University and a post graduate degree in science from Shivaji University. He has also attained a doctorate degree in Philosophy from Shivaji University. He was previously associated with D.Y. Patil University, Belapur, Navi Mumbai as Professor in the Department of Biotechnology and Bioinformatics. He is currently employed with Amity University, Mumbai. He was appointed on our Board as an Independent Director on September 20, 2014.

**Sohil Chand** is the Nominee Director of our Company. He holds a post graduate degree in International Accounting and Finance from the University of London and a holds a masters degree in business administration from the University of Chicago. He has 14 years of experience in the financial services industry, including private equity, venture capital and investment banking. He joined NVP Venture Capital India Private Limited (“NVP India”) in October, 2008. He has been associated with NVP India for over seven years. He has been a Nominee Director since his appointment on September 29, 2012.

## **Confirmations**

During the preceding five years, none of our Directors is, or was, a director of any listed company, whose shares have been, or were, suspended from being traded on any recognized stock exchange, during the term of their 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 recognized stock exchange during the tenure of their directorship in such company.

## **Terms of Appointment of the Executive Directors**

### **Dr. A Velumani**

Dr. A Velumani was appointed as the Managing Director of our Company pursuant to a Shareholders’ resolution dated August 16, 2001 for a period of three years. He was reappointed as the Managing Director of our Company pursuant to a Shareholder’ resolution dated August 16, 2004 for a period of five years. Further, he was reappointed as Managing Director of our Company pursuant to a Board resolution dated March 2, 2009 and Shareholders’ resolution dated March 31, 2009 for a period of five years from April 1, 2009. He was reappointed as the Managing Director of our Company pursuant to a Board resolution dated March 15, 2014 and Shareholders’ resolution dated May 7, 2014 for a period of three years from April 1, 2014. Pursuant to the Shareholders’ resolution dated September 16, 2014, Dr. A Velumani is entitled to monthly remuneration with effect from October 1, 2014 to March 31, 2017 including salary and perquisites. The details of Dr. A. Velumani’s remuneration are as follows:

| Particulars                            | Remuneration                                                                                                                                                                                                   |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Salary                                 | i) ₹ 800,000 per month from October 1, 2014 to March 31, 2015<br>ii) ₹ 900,000 per month from April 1, 2015 to March 31, 2016<br>iii) ₹ 1,000,000 per month from April 1, 2016 to March 31, 2017               |
| Accommodation                          | Rent free accommodation including provision of gas, electricity, water and furnishing valued as per Income Tax Rules, 1962 ("Income Tax Rules").                                                               |
| Medical reimbursement                  | Reimbursement of medical expenses (including premium for medical and hospitalization insurance policy) subject to a ceiling of one month's salary per year or three month's salary in a period of three years. |
| Leave travel concession                | For self and family once in a year, incurred in accordance with rules of our Company, but not exceeding one month salary per year.                                                                             |
| Club fees                              | Fees of clubs subject to a maximum of two clubs, except admission and life membership fees.                                                                                                                    |
| Personal accident insurance            | Premium not exceeding ₹ 15,000.                                                                                                                                                                                |
| Provident fund and superannuation fund | Our Company's contribution to provident fund and superannuation fund as per the rules of our Company, the total contribution not exceeding 25% of his salary as laid down under the Income Tax Rules.          |
| Gratuity                               | Gratuity in accordance with our Company's scheme, but not exceeding one half-month's salary for each completed year of service.                                                                                |
| Car and telephone                      | Provision for car with driver, free telephone facility at residence and mobile phone.                                                                                                                          |
| Reimbursement of expenses              | Entitlement to reimbursement of all entertainment, travelling and all other expenses actually and properly incurred for the business of our Company.                                                           |
| Leave encashment                       | Privilege leave, sick leave and all other facilities according to the rules of the Company. Unavailed leave can be encashed at the end of the tenure.                                                          |

#### A. Sundararaju

A. Sundararaju was appointed as the Chief Financial Officer and Executive Director of our Company pursuant a Board resolution dated July 12, 2004 and a Shareholders' resolution dated August 16, 2004 for a period of five years from August 16, 2004. He was reappointed as Executive Director of our Company pursuant to a Board resolution dated March 2, 2009 and Shareholders' resolution dated March 31, 2009, for a period of five years from March 31, 2009. He was reappointed as Executive Director of our Company pursuant to a Board resolution dated March 15, 2014 and Shareholders' resolution dated May 7, 2014 for a period of three years from April 1, 2014. Pursuant to the Shareholders' resolution dated September 16, 2014, A. Sunadararaju is entitled to a monthly remuneration with effect from October 1, 2014 including salary and perquisites. The following are the details in relation to the remuneration of A. Sundararaju:

| Particulars             | Remuneration                                                                                                                                                                                                   |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Salary                  | i) ₹ 350,000 per month from October 1, 2014 to March 31, 2015<br>ii) ₹ 400,000 per month from April 1, 2015 to March 31, 2016<br>iii) ₹ 500,000 per month from April 1, 2016 to March 31, 2017                 |
| Accommodation           | Rent free accommodation including provision of gas, electricity, water and furnishing valued as per Income Tax Rules, 1962 ("Income Tax Rules").                                                               |
| Medical reimbursement   | Reimbursement of medical expenses (including premium for medical and hospitalization insurance policy) subject to a ceiling of one month's salary per year or three month's salary in a period of three years. |
| Leave travel concession | For self and family once in a year, incurred in accordance with rules of our Company, but not exceeding one month salary per year.                                                                             |
| Club fees               | Fees of clubs subject to a maximum of two clubs, except admission and life membership fees.                                                                                                                    |

| Particulars                            | Remuneration                                                                                                                                                                                          |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Personal accident insurance            | Premium not exceeding ₹ 15,000.                                                                                                                                                                       |
| Provident fund and superannuation fund | Our Company's contribution to provident fund and superannuation fund as per the rules of our Company, the total contribution not exceeding 25% of his salary as laid down under the Income Tax Rules. |
| Gratuity                               | Gratuity in accordance with our Company's scheme, but not exceeding one half-month's salary for each completed year of service.                                                                       |
| Car and telephone                      | Provision for car with driver, free telephone facility at residence and mobile phone.                                                                                                                 |
| Reimbursement of expenses              | Entitlement to reimbursement of all entertainment, travelling and all other expenses actually and properly incurred for the business of our Company.                                                  |
| Leave encashment                       | Privilege leave, sick leave and all other facilities according to the rules of the Company. Unavailed leave can be encashed at the end of the tenure.                                                 |

### Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to our Directors in Fiscal 2015 are as follows:

#### 1. Remuneration to Executive Directors:

The aggregate value of the remuneration paid to the Executive Directors in the Fiscal 2015 is as follows:

| Sr. No. | Name of the director | Remuneration (In ₹) |
|---------|----------------------|---------------------|
| 1.      | Dr. A Velumani       | 4,800,000           |
| 2.      | A. Sundararaju       | 3,900,000           |

#### 2. Remuneration to Non-Executive Directors:

The Company has paid total amount of ₹ 68,000 towards sitting fees to the non-executive directors as set out below in Fiscal 2015 towards sitting fees of board meeting, Corporate Social Responsibility Committee, Audit Committee.

| Sr. No. | Name of the director | Remuneration (In ₹) |
|---------|----------------------|---------------------|
| 1.      | Gopal Shivram Hegde  | 24,000              |
| 2.      | Vishwas Kulkarni     | 24,000              |
| 3.      | Dr. Neetin Desai     | 9,500               |
| 4.      | N Palanisamy         | 10,500              |

Except as stated in this section, no amount or benefit has been paid within the two preceding years or is intended to be paid or given to any of our Company's officers including our Directors and Key Management Personnel. Except as disclosed in the section entitled "Financial Statements" on page 176, none of the beneficiaries of loans, and advances and sundry debtors are related to the Directors of our Company. Further, except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors and our Key Management Personnel, are entitled to any benefits upon termination of employment.

No remuneration has been paid, or is payable, to the Directors of our Company by our Subsidiary, except ₹ 45,000 paid as legal fee in Fiscal 2015 and ₹ 10,000 paid as sitting fees on October 1, 2015 to Gopal Shivram Hegde.

### Arrangement or understanding with major shareholders, customers, suppliers or others

Other than the share purchase cum shareholders adherence cum amendment agreement dated September 24, 2012, entered into amongst the Company, Dr. A. Velumani, A Velumani HUF, A. Sundararaju, A. Sundararaju HUF, Thyrocare Properties, Thyrocare Publications, MAPL, SCPL (previously known as Navkamna Marketing Private Limited), SIPL (previously known as Alexandra Vinimay Private Limited), Sumathi Velumani, Agalia and NVP, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed on the Board.

### Shareholding of Directors in our Company

Except as disclosed below, our Directors do not hold any shares in our Company as of the date of this Draft Red Herring Prospectus:

| Name of Director | Number of Equity Shares held |
|------------------|------------------------------|
| Dr. A. Velumani  | 14,213,348                   |
| A. Sundararaju   | 249,669                      |
| Sumathi Velumani | 595,969                      |

Our Articles of Association do not require our Directors to hold any qualification shares.

### Shareholding of Directors in our Subsidiary

None of our Directors hold any shares in our Subsidiary.

### Appointment of relatives of Directors to any office or place of profit

Except for Rao Rajagopal, brother of Sumathi Velumani, our Non-Executive Director, who held the position of Chief Administrative Officer of the Company till the date of his resignation on March 15, 2013, the relatives of our Directors do not currently hold any office or place of profit in our Company.

### Interest of Directors

The Independent Directors may be interested to the extent of sitting fees payable to them for attending meetings of the Board of Directors or a committee thereof. All Directors may be deemed to be interested to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Further, Gopal Shivram Hegde was paid ₹45,000 as legal fee in Fiscal 2015 by NHL and ₹ 10,000 paid as sitting fees on October 1, 2015.

Our Directors may also be regarded as interested in the Equity Shares held by them or that may be Allotted to them or to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to the Offer. All of our Directors may also be deemed to be interested to the extent of any dividends payable to them and other distributions in respect of the Equity Shares.

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors. Our Company has not entered into any service contracts with our Directors which provide for benefits upon termination of employment of our Directors.

Except for Dr. A. Velumani and A. Sundararaju, none of our Directors have interest in the promotion of our Company other than in the ordinary course of business. Further, our Directors have no interest in any property acquired or proposed to be acquired by our Company within the two years from the date of this Draft Red Herring Prospectus.

Except as stated in section entitled “*Related Party Transactions*” on page 174 and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

No loans have been availed of by our Directors or the Key Management Personnel from our Company.

### Changes in the Board in the last three years:

| Name             | Date of Appointment/ Change/ Cessation | Reason                                   |
|------------------|----------------------------------------|------------------------------------------|
| Sumathi Velumani | July 1, 2013                           | Redesignated as a Non Executive Director |

| <b>Name</b>         | <b>Date of Appointment/ Change/ Cessation</b> | <b>Reason</b>                      |
|---------------------|-----------------------------------------------|------------------------------------|
| Sohil Chand         | September 27, 2013                            | Confirmed as Director              |
| Amruta Velumani     | September 27, 2013                            | Appointed as Director              |
| Dr. A. Velumani     | April 1, 2014                                 | Re-appointed as Managing Director  |
| A. Sundararaju      | April 1, 2014                                 | Re-appointed as Executive Director |
| Gopal Shivram Hegde | August 21, 2014                               | Appointed as Director              |
| Vishwas Kulkarni    | August 21, 2014                               | Appointed as Director              |
| N. Palanisamy       | September 20, 2014                            | Appointed as Director              |
| Dr. Neetin S. Desai | September 20, 2014                            | Appointed as Director              |
| Vivek Chhachi       | November 15, 2014                             | Resignation                        |
| Ajay Relan          | November 15, 2014                             | Resignation                        |
| Amruta Velumani     | November 15, 2014                             | Resignation                        |

### **Borrowing Powers of Board**

In accordance with the Articles of Association of our Company, subject to Section 179 and other applicable provisions of the Companies Act, the Board may from time to time at its discretion by resolution passed at a meeting of the Board generally raise loans or borrow money or secure payment of any sum or sums of money so borrowed for the purpose of the Company.

### **Corporate Governance**

The provisions of the Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the Listing Regulations, the SEBI Regulations and the Companies Act, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and Listing Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has eight Directors. In compliance with the requirements of Listing Regulations, our Chairman is an Executive Director and we have two Executive Directors, six Non-Executive Directors including four Independent Directors on our Board. Further, in compliance with the Listing Regulations, we have a woman director on our Board.

### **Committees of the Board**

In addition to the committees of the Board detailed below, our Board of Directors may, from time to time, constitute committees for various functions.

#### ***Audit Committee***

The members of the Audit Committee are:

1. Gopal Shivram Hegde, *Chairman*;
2. Vishwas Kulkarni; and
3. Sohil Chand.

The Audit Committee was re-constituted by a meeting of our Board held on September 16, 2014. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the Listing Regulations and its terms of reference include the following:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;



2. Recommending to the Board the appointment, reappointment, remuneration and terms of appointment of the auditors of the Company;
3. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
4. Approval of payments to auditors for any other services rendered by the auditors;
5. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. 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, 2013, as amended;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
7. 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. This also includes monitoring the use/application of the funds raised through the proposed Offer by the Company;
8. Approval of any transactions of the Company with Related Parties, including any subsequent modifications thereof.
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Monitoring the end-use of funds raised through public offers and related matters;
13. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
14. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
15. 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;
16. Discussing with internal auditors on any significant findings and follow up there on;

17. 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;
18. Discussing with auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. 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;
20. Reviewing the functioning of the whistle blower mechanism;
21. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and
22. Carrying out such other function as may be required in pursuance of any decision of the Board of Directors or any provision under the Companies Act and Stock Exchange Listing Regulations or any other applicable law.

The powers of the Audit Committee shall include the following:

1. To investigate activity within its terms of reference;
2. To seek information from any employees;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

1. Management's discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
3. Management letters / letters of internal control weaknesses issued by the auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
6. Statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of the Listing Regulations.

The Audit Committee is required to meet at least four times in a year under the Listing Regulations.

#### ***Nomination and Remuneration Committee***

The members of the Nomination and Remuneration Committee are:

1. Gopal Shivram Hegde, *Chairman*;
2. Vishwas Kulkarni; and
3. Sohil Chand.

The Nomination and Remuneration Committee was constituted by our Board on July 29, 2014. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include the following:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulating of criteria for evaluation of performance of the independent directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who qualify to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal;
5. Determining 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;
6. Analysing, monitoring and reviewing various human resource and compensation matters;
7. Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
8. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
9. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
10. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 or the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as applicable;
11. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
  - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
12. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

#### ***Stakeholders Relationship Committee***

The members of the Stakeholders Relationship Committee are:

1. Gopal Shivram Hegde, *Chairman*;
2. A. Sundararaju; and
3. Sumathi Velumani.

The Stakeholders Relationship Committee was constituted by our Board on December 19, 2015. The scope and function of the Stakeholders Relationship Committee is in accordance with the Listing Regulations. This committee is responsible for the redressal of shareholder grievances. The terms of reference of the Stakeholders Relationship Committee of our Company include the following:

1. To attend to requests from the shareholders for transfer / transmission of shares and all matters incidental or related thereto.
2. To attend to matters relating dematerialization / rematerialisation of shares / debentures / other securities and all matters incidental or related thereto;
3. To advise the Board on matters incidental or relating to issue of Bonus Shares & Rights Shares, etc.
4. To consider and resolve grievances of the security holders of the Company, including complaints related to the transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
5. To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
6. To attend to issue of duplicate certificates and new certificates on split / consolidation / renewal; and
7. To attend to matters relating to compliance with the Listing Regulations and other statutory requirements concerning the interests of holders of shares and other securities;
8. To carry out such other function as may be prescribed under the Listing Regulations and any other applicable statutory rules and regulations.

#### ***Corporate Social Responsibility Committee***

The members of the Corporate Social Responsibility Committee are:

1. Gopal Shivram Hegde, *Chairman*;
2. A. Sundararaju; and
3. Vishwas Kulkarni.

The Corporate Social Responsibility Committee was constituted by our Board on July 29, 2014. The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013. The terms and reference of the Corporate Social Responsibility Committee include the following:

- a) 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.
- b) Recommend the amount of expenditure to be incurred on activities referred in the CSR Policy.
- c) Monitor the CSR Policy of the Company and its implementation from time to time.

#### ***IPO Committee***

The members of the IPO Committee are:

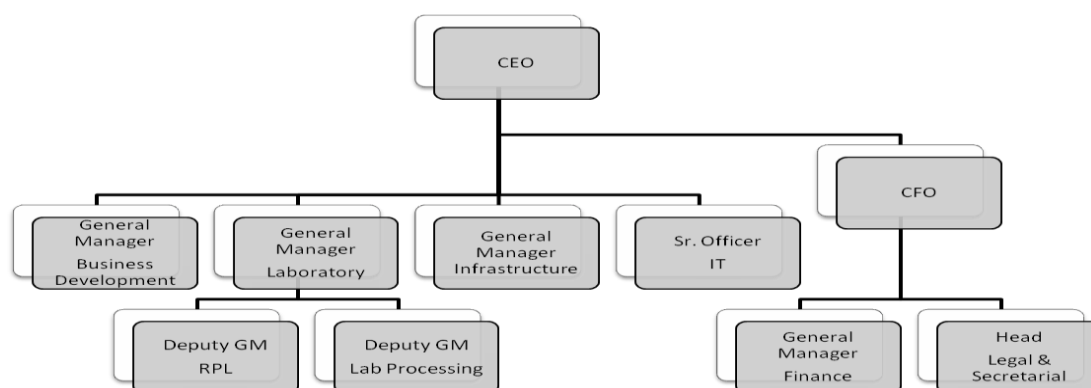
1. Dr. A.Velumani, *Chairman*;
2. A.Sundararaju;
3. Gopal Shivram Hegde; and
4. Vishwas Kulkarni.

The IPO Committee was constituted by our Board on December 19, 2015. The terms and reference of the IPO Committee include the following:

- a) To make applications in consultation with the Selling Shareholders, where necessary, to such authorities as may be required and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;

- b) To approve and file in consultation with the Selling Shareholder where applicable, the DRHP with SEBI, the RHP and prospectus with the Registrar of Companies and to make necessary amendments or alterations, therein;
- c) To decide in consultation with the Selling Shareholders on the timing, pricing and all the terms and conditions of the issue of the shares for the Offer, including the price band including any revision to the same, Offer price, and to accept any amendments, modifications, variations or alterations thereto and withdrawal of the Offer, under Applicable Laws;
- d) To appoint and enter into arrangements in consultation with the Selling Shareholders where applicable, with the book running lead managers, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, registrars, legal advisors and any other agencies or persons or intermediaries to the Offer and to negotiate and finalise the terms of their appointment;
- e) To finalise and settle and to execute in consultation with the Selling Shareholders where applicable and deliver or arrange the delivery of the DRHP, the RHP, the final Prospectus, syndicate agreement, underwriting agreement, escrow agreement and all other documents, deeds, agreements and instruments as may be required or desirable in relation to the Offer;
- f) To open with the bankers to the Offer such accounts as may be required by the regulations issued by SEBI;
- g) To open and operate bank accounts in terms of the escrow agreement and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- h) To authorize and approve in consultation with the Selling Shareholders, the incurring of expenditure and payment of fees, commission, remuneration and expenses in connection with the Offer;
- i) To issue allotment letters/confirmation of allotment notes with power to authorise one or more officers of the Company to sign all or any of the aforesaid stated documents;
- j) To do all such acts, deeds, matters and things and execute all such other documents, etc. in consultation with the Selling Shareholders where applicable, deem necessary or desirable for such purpose, including without limitation, finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;
- k) To do all such acts, deeds and things as may be required to dematerialise the equity shares of the Company and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited (NSDL), the Central Depository Services (India) limited (CDSL) and such other agencies, authorities or bodies as may be required in this connection;
- l) To make applications for listing of the shares in one or more stock exchange(s) for listing of the equity shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s); and
- m) To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment and matters incidental thereto as it may, in consultation with the Selling Shareholders, where applicable, deem fit and to delegate such of its powers as may be deemed necessary to the officials of the Company.

## Management Organisation Chart



## Key Management Personnel

### Brief Biographies of Key Management Personnel

In addition to Dr. A.Velumani, our Managing Director and A. Sundararaju, our Executive Director and Chief Financial Officer, Dr. Caesar Sengupta, M. Chandrasekhar, Sachin Salvi, M. Santhosh, Ramjee Dorai, S. Krishnakumar and Rajkumar Kushawaha are the key management personnel of our Company. For details of our Managing Director and Executive Director and Chief Financial Officer, see section entitled “*Management- Brief Biographies of Directors*” on page 153.

**Dr. A. Velumani** is the CEO and Managing Director of our Company. For further details in relation to Dr. A. Velumani, see section entitled “*Management–Brief Biographies of Directors*” on page 153. He was reappointed as Managing Director on April 1, 2014. During the last Fiscal, he was paid a gross compensation of ₹ 4,800,000.

**A. Sundararaju** is the Chief Financial Officer and Director of our Company. For further details in relation to A. Sundararaju, see section entitled “*Management–Brief Biographies of Directors*” on page 153. He was reappointed as Chief Financial Officer on March 14, 2015. During the last Fiscal, he was paid a gross compensation of ₹ 3,900,000.

**Dr. Caesar Sengupta**, 41, is the Manager-Laboratory of our Company. He is a graduate in medicine from Assam Medical College, Dibrugarh, Assam and a post graduate degree in medicine (microbiology) from Post Graduate Institute of Medical Education and Research, Chandigarh. He has over 18 years of experience as a medical microbiologist. He was appointed to our Company on January 1, 2006. At our Company, he is responsible for overall quality management system in the laboratory and responsible to liaison with external parties such as certification body and consultants. Prior to joining our Company, he was associated with TDPL, Post Graduate Institute of Medical Education and Research, Chandigarh, and Lady Hardinge College, New Delhi and in various capacities. During the last Fiscal, he was paid gross compensation of ₹ 4,129,890.

**M. Chandrasekhar**, 32, is the General Manager-Infrastructure of our Company. He is a graduate in electronics and instrumentation engineering from Madurai Kamaraj University. He has over 11 years of experience in laboratory management. He was appointed to our Company on January 1, 2006. At our Company, he is responsible for managing civil infrastructure projects, oversee the management of all equipment and capital resources and implement strategic business plans. Prior to joining our Company, he was associated with TBPL. During the last Fiscal, he was paid gross compensation of ₹ 2,647,543.

**Sachin Salvi**, 35, is the General Manager of Finance of our Company. He is a graduate in commerce from University of Mumbai and is a qualified chartered accountant from ICAI. He was appointed to our Company on February 1, 2011. At our Company, he is responsible for managing the accounts of the Company. Prior to joining our Company, he was associated with SD Khanolkar & Co, Chartered Accountants, Mumbai. During the last Fiscal, he was paid gross compensation of ₹ 2,462,053.

**M. Santhosh**, 34, is the General Manager–Business Development of our Company. He is a graduate in mechatronics engineering from Kumaraguru College of Technology, Coimbatore. He has over 12 years in the IT business. He was appointed to TBPL on August 22, 2003. Subsequently, he was appointed to our Company on

January 1, 2006. At our Company, he is responsible for business development of the Company. Prior to joining our Company, he was associated with TBPL. During the last Fiscal, he was paid gross compensation of ₹ 1,706,848.

**Ramjee Dorai**, 59, is the Company Secretary and Head Secretarial and Legal of our Company. He is a qualified fellow of the Institute of Companies Secretaries of India. He has 30 years of experience as a Company Secretary. He was appointed to our Company on August 18, 2014. At our Company, he is responsible for all corporate and legal related matters of the Company. Prior to joining our Company, he was associated with Aruna Hotels Limited. During the last Fiscal, he was paid gross remuneration of ₹ 746,268.

**S. Krishnakumar**, 45, is the Senior Manager, Laboratory Processing of our Company. He is a graduate in zoology from Manonmaniam Sundaranar University and a post graduate degree in zoology from Manonmaniam Sundaranar University. He has 14 years of experience in laboratory management. He was appointed to our Company on January 1, 2006. At our Company, he is responsible for running the major laboratory operations of our central processing laboratory. Prior to joining our Company, he was associated with TBPL in the capacity of lab supervisor. During the last Fiscal, he was paid gross compensation of ₹ 1,208,469.

**Rajkumar Kushawaha**, 36, is the Manager, Laboratory Processing of our Company. He is a graduate in chemistry from Purvanchal University, Jaunpur. He has 16 years of experience in laboratory management. He was appointed to our Company on January 1, 2006. At our Company, he is responsible for running of chemistry operations of our central processing laboratory. Prior to joining our Company, he was associated with TBPL in the capacity of lab technician. During the last Fiscal, he was paid gross compensation of ₹ 587,518.

Other than Dr. A. Velumani and A. Sundararaju, none of our Key Management Personnel are related to each other. For details see section entitled “*Our Management-Relationship between our Directors*” on page 153.

All our Key Management Personnel are the permanent employees of our Company.

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Management Personnel were selected as members of our senior management.

#### **Shareholding of Key Management Personnel**

Except for Dr. A. Velumani and A. Sundararaju, none of our Key Management Personnel hold any Equity Shares in our Company. For further details, please see section entitled “*Capital Structure- Shareholding of our Promoters and Promoter Group in our Company*” on page 78.

#### **Interests of Key Management Personnel**

The Key Management Personnel do not have any interest in our Company other than to the extent of their shareholding in the Company and the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and the employee stock options held, if any. The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

#### **Changes in our Key Management Personnel**

The changes in our Key Management Personnel in the last three years are as follows:

| <b>Name</b>    | <b>Date of change</b> | <b>Reason for change</b>             |
|----------------|-----------------------|--------------------------------------|
| Dr. A Velumani | April 1, 2014         | Appointed as Managing Director       |
| Ramjee Dorai   | September 3, 2014     | Appointment as Company Secretary     |
| A. Sundararaju | March 14, 2015        | Appointed as Chief Financial Officer |
| Ramjee Dorai   | December 19, 2015     | Appointed as Compliance Officer      |

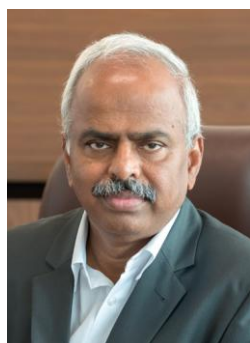
#### **Payment or Benefit to officers of our Company**

None of the Key Management Personnel is party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to each of key managerial personnel.

Except as disclosed, our Company has not granted any options to the employees of our Company. For details, please see the section entitled “*Capital Structure*” on page 84.

## OUR PROMOTERS AND PROMOTER GROUP

Dr. A. Velumani and A. Sundararaju are the Promoters of our Company.



### **Dr. A. Velumani**

Dr. A. Velumani is the Chairman, CEO and Managing Director of our Company. He is a resident Indian national. For further details, see the section entitled “*Our Management*” on page 151.

The driving license number of Dr. A. Velumani is MH43 20080001541 and he does not have a voter identity card. He has applied for a voter identity card through application dated May 16, 2015.



### **A. Sundararaju**

A. Sundararaju is an Executive Director of our Company. He is a resident Indian national. For further details, see the section entitled “*Our Management*” on page 151.

A. Sundararaju does not have a driving license and voter identity card.

Our Company confirms that the permanent account number, bank account number and passport number of Dr. A. Velumani and A. Sundararaju have been submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus to the Stock Exchanges.

## **Interests of Promoters and Common Pursuits**

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company, and the dividend payable, if any and other distributions/benefits in respect of the shares held by them. For further information on shareholding of our Promoters in our Company, see sections entitled “*Capital Structure*” and “*Our Management*” on pages 75 and 151, respectively. Further, Dr. A. Velumani, is our Chairman, CEO and Managing Director and A. Sundararaju is our Executive Director and Chief Financial Officer of our Company and may be deemed to be interested to the extent of remuneration or reimbursement of expenses payable to them in terms of the resolutions passed by our Board and Shareholders. For further details, see section entitled “*Our Management*” on page 151.

Except as stated in the section entitled “*Related Parties Transactions*” on page 174, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them.

Except as disclosed in this Draft Red Herring Prospectus, our Promoters have no interest in any property acquired or proposed to be acquired by our Company within the two years from the date of this Draft Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Except for our Subsidiary, our Promoters do not have any direct interest in any venture that is involved in activities similar to those conducted by our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise. They are also shareholders and/or directors in Thyrocare International Limited, TBPL, TDPL and Total Diagnostics which have similar objects as per their respective constitutional documents but are not carrying out any related activities at present.



### Payment of benefits to our Promoters or Promoter Group

Except as stated in the sections entitled “*Related Party Transactions*”, “*Our Management*” and “*Our Promoters and Promoter Group*” on pages 174, 151 and 166 respectively, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus.

### Confirmations

Our Promoters and their relatives have not been declared as wilful defaulters by the RBI or any other government authority. Further, except as disclosed in this Draft Red Herring Prospectus, there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and Promoter Group entities have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in this Draft Red Herring Prospectus, our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

### Companies with which our Promoters have disassociated in the last three years

Except as disclosed below our Promoters have not disassociated themselves from any of the companies during the three years preceding the date of this Draft Red Herring Prospectus.

| Sr. No. | Name of the disassociated entity         | Reasons and circumstances leading to disassociation and terms of disassociation                                  | Date of disassociation |
|---------|------------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------|
| 1.      | Thyrocare Gulf Laboratories WLL, Bahrain | Dr. A Velumani resigned as a director of Thyrocare Gulf Laboratories WLL, Bahrain by reason of his preoccupation | May 5, 2015            |

### Change in the management and control of our Company

Our Promoters are the original promoters of the Company and there has been no change in the management and control of our Company since its incorporation.

### Promoter Group

In addition to our Promoters named above, the following individuals and entities form a part of the Promoter Group:

#### 1. Natural persons who form part of the Promoter Group:

The natural persons who are part of our promoter Group (being the immediate relatives of our Promoters), apart from our Promoters mentioned above are as follows:

| Name of Promoter | Name of the Relative | Relationship with the Promoter |
|------------------|----------------------|--------------------------------|
| Dr. A. Velumani  | Sumathi Velumani     | Spouse                         |
|                  | Anand Velumani       | Son                            |
|                  | Amruta Velumani      | Daughter                       |
|                  | P. Arokiaswamy       | Father                         |
|                  | A. Rathinaswamy      | Brother                        |
|                  | Susila Selvaraj      | Sister                         |
|                  | Rao Rajgopal JK      | Brother of the Spouse          |
|                  | Jayanthi Anand Naidu | Sister of the Spouse           |
|                  | Shanti Ajit Keskar   | Sister of the Spouse           |
| A. Sundararaju   | Bhamini Sundararaju  | Spouse                         |
|                  | Ashvini Sundararaju  | Daughter                       |

| Name of Promoter | Name of the Relative      | Relationship with the Promoter |
|------------------|---------------------------|--------------------------------|
|                  | Vijayalakshmi Sundararaju | Daughter                       |
|                  | P. Arokiaswamy            | Father                         |
|                  | A. Rathinaswamy           | Brother                        |
|                  | Susila Selvaraj           | Sister                         |
|                  | Amsaveni Radhakrishnan    | Mother of the Spouse           |
|                  | R Sridhar                 | Brother of the Spouse          |
|                  | R Jaikumar                | Brother of the Spouse          |

**2. Entities which form part of the Promoter Group:**

- (a) A. Sundararaju HUF;
- (b) Dee Anu Trading Co Private Limited;
- (c) A. Velumani HUF;
- (d) A. Rathinaswamy HUF;
- (e) Mahima Advertising Private Limited;
- (f) Pavilion Commercial Private Limited ;
- (g) Sumathi Construction Private Limited;
- (h) Sumathi Infra Project Private Limited;
- (i) Thyrocare Biotech Private Limited;
- (j) Thyrocare Diagnostics Private Limited;
- (k) Thyrocare Gulf Laboratories WLL;
- (l) Thyrocare Hospitals Limited;
- (m) Thyrocare Properties and Infrastructure Private Limited;
- (n) Thyrocare Publications Private Limited;
- (o) Thyrocare International Limited;
- (p) Total T3T4TSH Diagnostics Private Limited; and
- (q) Thyrocare International Holding Co., Mauritius.

## OUR GROUP COMPANIES

*In terms of the SEBI Regulations and in terms of the policy of materiality defined by our Board pursuant to the resolution dated December 19, 2015, our Group Companies (as set out below) consist of, (i) the companies included in the list of related parties in our Company's consolidated financial statements for Fiscal 2015 in accordance with Accounting Standard 18; and (ii) companies in which our Company or our Promoters have 10% or more shareholding and where such companies have transactions (individually or in aggregate) with our Company exceeding 10% of our Company's consolidated revenue, net worth or PAT (whichever is lowest) for Fiscal 2015.*

The following are our Group Companies:

1. Mahima Advertising Private Limited;
2. Sumathi Construction Private Limited;
3. Sumathi Infra Project Private Limited;
4. Thyrocare Gulf Laboratories WLL;
5. Thyrocare International Holding Co., Mauritius;
6. Thyrocare Properties and Infrastructure Private Limited; and
7. Thyrocare Publications Private Limited.

No securities of our Group Companies are listed on any stock exchange and except MAPL, SCPL, SIPL, Thyrocare Properties and Thyrocare Publications, none of our Group Companies have made any public or rights issue of securities in the preceding three years.

### A. Details of the five largest Group Companies (based on turnover)

The details of our top five Group Companies (based on turnover) are provided below:

#### 1. Mahima Advertising Private Limited ("MAPL")

##### *Corporate Information*

MAPL was incorporated on July 15, 1998, at Mumbai as a private limited company. MAPL is currently involved in the business of advertising and related activities.

##### *Interest of our Promoters*

Dr. A. Velumani holds 2,669,980 equity shares constituting 50.86% of the total issued and paid-up equity share capital of MAPL. A. Sundararaju holds 262,505 equity shares constituting 5.00% of the total issued and paid-up equity share capital of MAPL.

##### *Financial Information*

The operating results of MAPL for the last three Fiscals are as follows:

| Particulars                                           | (in ₹ millions , except per share data) |        |        |
|-------------------------------------------------------|-----------------------------------------|--------|--------|
|                                                       | For the Fiscal Year                     |        |        |
|                                                       | 2015                                    | 2014   | 2013   |
| Equity Capital                                        | 17.50*                                  | 17.50  | 17.50  |
| Reserves (excluding revaluation reserves) and Surplus | 38.27                                   | 33.49  | 33.51  |
| Revenue from Operations & Other Income                | 4.82                                    | 0.00   | 0.01   |
| Profit / (Loss) after Tax                             | 4.78                                    | (0.02) | (0.85) |
| Basic EPS (in ₹)                                      | 2.73                                    | (0.01) | (0.49) |
| Diluted EPS (in ₹)                                    | 2.73                                    | (0.01) | (0.49) |
| Net asset value per share (in ₹)                      | 31.87                                   | 29.14  | 29.15  |

\* Pursuant to a rights issue undertaken in Fiscal 2016, the equity share capital of MAPL is ₹52.50 million.

## 2. Sumathi Construction Private Limited (“SCPL”)

### *Corporate Information*

SCPL was incorporated on July 17, 2002, at Kolkata as a private limited company. SCPL is currently involved in, amongst others, the business of marketing of hardware, paints, and acquiring land, and buildings.

### *Interest of our Promoters*

Dr. A. Velumani holds 559,164 equity shares constituting 47.59% of the total issued and paid-up equity share capital of SCPL. A. Sundararaju holds 58,757 equity shares constituting 5.00% of the total issued and paid-up equity share capital of SCPL.

### *Financial Information*

The operating results of SCPL for the last three Fiscals are as follows:

| Particulars                                           | (in ₹ millions , except per share data) |          |          |
|-------------------------------------------------------|-----------------------------------------|----------|----------|
|                                                       | For the Fiscal Year                     |          |          |
|                                                       | 2015                                    | 2014     | 2013     |
| Equity Capital                                        | 1.96*                                   | 1.96     | 1.96     |
| Reserves (excluding revaluation reserves) and Surplus | 731.47                                  | 702.75   | 676.33   |
| Revenue from Operations & Other Income                | 39.29                                   | 36.37    | 681.22   |
| Profit / (Loss) after Tax                             | 28.72                                   | 26.42    | 533.68   |
| Basic EPS (in ₹)                                      | 146.64                                  | 134.91   | 5,115.19 |
| Diluted EPS (in ₹)                                    | 146.64                                  | 134.91   | 5,115.19 |
| Net asset value per share (in ₹)                      | 3,745.04                                | 3,598.41 | 3,463.49 |

\* Pursuant to a rights issue undertaken in Fiscal 2016, the equity share capital of SCPL is ₹11.75 million.

## 3. Sumathi Infra Project Private Limited (“SIPL”)

### *Corporate Information*

SIPL was incorporated on March 28, 1994, at Kolkata as a private limited company. SIPL is currently involved in, amongst others, the business of all commodities, goods, services, imports, and export houses.

### *Interest of our Promoters*

Dr. A. Velumani holds 515,480 equity shares constituting 55.30% of the total issued and paid-up equity share capital of SIPL. A. Sundararaju holds 50,355 equity shares constituting 5.40% of the total issued and paid-up equity share capital of SIPL.

### *Financial Information*

The operating results of SIPL for the last three Fiscals are as follows:

| Particulars                                           | (in ₹ millions , except per share data) |          |          |
|-------------------------------------------------------|-----------------------------------------|----------|----------|
|                                                       | For the Fiscal Year                     |          |          |
|                                                       | 2015                                    | 2014     | 2013     |
| Equity Capital                                        | 0.93*                                   | 0.93     | 0.93     |
| Reserves (excluding revaluation reserves) and Surplus | 406.03                                  | 337.91   | 339.28   |
| Revenue from Operations and Other Income              | 99.87                                   | 0.06     | 346.12   |
| Profit / (Loss) after Tax                             | 68.13                                   | (1.38)   | 271.63   |
| Basic EPS (in ₹)                                      | 734.91                                  | (14.86)  | 2,930.19 |
| Diluted EPS (in ₹)                                    | 734.91                                  | (14.86)  | 2,930.19 |
| Net asset value per share (in ₹)                      | 4,390.07                                | 3,655.16 | 3,670.02 |

\* Pursuant to a rights issue undertaken in Fiscal 2016, the equity share capital of SIPL is ₹9.32 million.

#### 4. Thyrocare Properties and Infrastructure Private Limited (“Thyrocare Properties”)

##### *Corporate Information*

Thyrocare Properties was incorporated on May 10, 2002, at Mumbai as a private limited company. Thyrocare Properties is currently involved in the business of constructing and building warehouses, godowns, industrial establishments, and infrastructures.

##### *Interest of our Promoters*

Dr. A. Velumani holds 7,284,645 equity shares constituting 58.51% of the total issued and paid-up equity share capital of Thyrocare Properties. A. Sundararaju holds 575,420 equity shares constituting 4.62% of the total issued and paid-up equity share capital of Thyrocare Properties.

##### *Financial Information*

The operating results of Thyrocare Properties for the last three Fiscals are as follows:

| Particulars                                           | (in ₹ millions , except per share data) |        |         |
|-------------------------------------------------------|-----------------------------------------|--------|---------|
|                                                       | For the Fiscal Year                     |        |         |
|                                                       | 2015                                    | 2014   | 2013    |
| Equity Capital                                        | 31.12*                                  | 29.57  | 29.57   |
| Reserves (excluding revaluation reserves) and Surplus | 489.37                                  | 446.51 | 454.92  |
| Revenue from Operations & Other Income                | 33.02                                   | 0.10   | 12.90   |
| Profit / (Loss) after Tax                             | 18.84                                   | (8.41) | (2.80)  |
| Basic EPS (in ₹)                                      | 636.98                                  | (2.84) | (94.51) |
| Diluted EPS (in ₹)                                    | 636.98                                  | (2.84) | (94.51) |
| Net asset value per share (in ₹)                      | 167.18                                  | 160.96 | 163.80  |

\* Pursuant to a rights issue undertaken in Fiscal 2016, the equity share capital of Thyrocare Properties is ₹124.49 million.

#### 5. Thyrocare Publications Private Limited (“Thyrocare Publications”)

##### *Corporate Information*

Thyrocare Publications was incorporated on May 10, 2002, at Mumbai as a private limited company. Thyrocare Publications is currently involved in the business of undertaking or arranging for writing and publication of books and magazines.

##### *Interest of our Promoters*

Dr. A. Velumani holds 1,053,605 equity shares constituting 59.86% of the total issued and paid-up equity share capital of Thyrocare Publications. A. Sundararaju holds 88,000 equity shares constituting 5.00% of the total issued and paid-up equity share capital of Thyrocare Publications.

##### *Financial Information*

The operating results of Thyrocare Publications for the last three Fiscals are as follows:

| Particulars                                           | (in ₹ millions , except per share data) |        |        |
|-------------------------------------------------------|-----------------------------------------|--------|--------|
|                                                       | For the Fiscal Year                     |        |        |
|                                                       | 2015                                    | 2014   | 2013   |
| Equity Capital                                        | 2.20*                                   | 2.20   | 2.20   |
| Reserves (excluding revaluation reserves) and Surplus | 90.55                                   | 64.76  | 64.78  |
| Revenue from Operations & Other Income                | 26.01                                   | 0      | 3.26   |
| Profit / (Loss) after Tax                             | 25.79                                   | (0.02) | 2.76   |
| Basic EPS (in ₹)                                      | 117.22                                  | (0.07) | 12.54  |
| Diluted EPS (in ₹)                                    | 117.22                                  | (0.07) | 12.54  |
| Net asset value per share (in ₹)                      | 421.61                                  | 304.36 | 304.44 |

\* Pursuant to a rights issue undertaken in Fiscal 2016, the equity share capital of Thyrocare Publications is ₹17.60 million.

**B. Details of other Group Company**

**1. Thyrocare Gulf Laboratories WLL (“TGL”)**

*Corporate Information*

TGL was incorporated on March 7, 2013, at Bahrain as a with limited liability company. TGL is currently involved in the business of operating as a general medical laboratory.

*Interest of our Promoters*

Our Promoters, Dr. A Velumani and Dr. A Sundararaju, through their shareholding in TIHCM as described under section entitled “*Our Group Companies-Details of other Group Companies-TIHCM-Interest of our Promoters*” on page 172, hold 51.00% of the total issued and paid-up equity share of TGL.

**2. Thyrocare International Holding Co., Mauritius (“TIHCM”)**

*Corporate Information*

TIHCM was incorporated on November 1, 2012, at Port Louis, Mauritius as a holding company. TIHCM is currently involved in the business of functioning as an investment company.

*Interest of our Promoters*

Our promoters Dr. A. Velumani and A. Sundararaju, through their shareholdings in our Company and TIL, in aggregate, hold 63.64% of the total issued and paid-up equity share capital of TIHCM.

**Nature and Extent of Interest of Group Companies:**

- **In the promotion of our Company**

None of our Group Companies have any interest in the promotion or any business interest or other interests in our Company.

- **In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Draft Red Herring Prospectus with SEBI**

None of our Group Companies is interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus.

- **In transactions for acquisition of land, construction of building and supply of machinery**

Except the ICP-MS instrument purchased by our Company from TGL on September 10, 2015, vide an invoice (THYR/TG/1509001), none of our Group Companies is interested in any transactions for the acquisition of land, construction of building or supply of machinery.

**Common Pursuits among the Group Companies with our Company**

There are no common pursuits between any of our Group Companies and our Company.

**Related Business Transactions within the Group Companies and significance on the financial performance of our Company**

Other than as disclosed in section entitled “*Related Party Transactions*” on page 174, there are no related party transactions within the Group Companies and significance on the financial performance of our Company.

### Significant Sale/Purchase between Group Companies and our Company

Other than as disclosed in section entitled “*Financial Statements*” and “*Related Party Transactions*” on pages 176 and 174 respectively, none of our Group Companies are involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

### Business Interest of Group Companies

We have entered into certain business contracts with our Group Companies. For details, see the section entitled “*Related Party Transactions*” on page 174.

Other than as stated above, none of our Group Companies have any business interest in our Company.

### Defunct Group Companies

None of our Group Companies remain defunct and no application has been made to the Registrar of Companies for striking off the name of any of our Group Companies during the five years preceding the date of filing of this Draft Red Herring Prospectus with SEBI. Further, none of our Group Companies fall under the definition of sick companies under SICA and none of them is under winding up.

### Loss making Group Companies

Except as disclosed below, none of our Group Companies are loss making companies on the basis of the latest audited financial statements available:

| Name of Entity | Profit/(Loss) (Amount in ₹ million) <sup>#</sup> |              |            |              |
|----------------|--------------------------------------------------|--------------|------------|--------------|
|                | For the financial year                           |              |            |              |
|                | 2014                                             |              | 2013       |              |
|                | Standalone                                       | Consolidated | Standalone | Consolidated |
| TGL*           | (70.06)                                          | -            | (57.69)    | -            |
| TIHCM**        | (1.65)                                           | (71.92)      | (3.45)     | (61.37)      |

\* TGL started operations in the calendar year 2013. Accordingly, the financial information for the year 2013 (for the period March 7, 2013 up to December 31, 2013) and the year ended December 31, 2014, respectively, have been disclosed.

\*\* TIHCM started operations in the calendar year 2012. Accordingly, the financial information for the years ended December 31, 2014 and 2013 (for the period November 1, 2012 up to December 31, 2013), respectively, have been disclosed.

<sup>#</sup> The amounts disclosed in Indian rupees are converted as on the date on which the financial information is presented.

### Other Confirmations

None of our Group Companies have been prohibited from accessing the capital market for any reasons by the SEBI or any other authorities.

None of the Group Companies have been identified as wilful defaulters by the RBI or other authorities.

## **RELATED PARTY TRANSACTIONS**

For details of related party transactions, as per the requirements under Accounting Standard 18 “Related Party Disclosures” issued by the Institute of Chartered Accountants of India and as reported in the Restated Financial Statements, please see the section entitled “*Financial Statements*” on pages 215, 255 and 290, respectively.



## DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association, the applicable law, including the Companies Act. The dividends, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position of our Company.

Pursuant to a resolution of the Board dated September 16, 2014, our Company has determined that as a matter of policy, the net cash surplus of our Company, after providing for tax, capital expenditure expected to be incurred during the next financial year, and any other anticipated requirement of funds, may be distributed among our shareholders as dividend for the financial year concerned. The dividend declared by our Company during the last five Fiscals and for the period ended September 30, 2015 is set out in the following table:

| Particular                           | Six months ended September 30, 2015 | Fiscal 2015 | Fiscal 2014 | Fiscal 2013 | Fiscal 2012 | Fiscal 2011 |
|--------------------------------------|-------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Number of Equity Shares of ₹ 10 each | 5,05,35,971                         | 5,05,35,971 | 1,09,17,519 | 1,09,17,519 | 1,08,09,425 | 1,08,09,425 |
| Rate of dividend (%)                 | 75.00                               | 37.58       | -           | -           | -           | -           |
| Dividend amount (₹ in million)       | 379.02                              | 189.89      | -           | -           | -           | -           |
| Tax on dividend (₹ in million)       | 77.16                               | 32.27       | -           | -           | -           | -           |

## **SECTION V: FINANCIAL INFORMATION**

### **FINANCIAL STATEMENTS**

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The Board of Directors  
Thyrocare Technologies Limited  
D-37/1, MIDC, Turbhe, Opp. Sandoz  
Navi Mumbai 400 703  
INDIA

Dear Sirs

We have examined the attached restated standalone summary financial information of Thyrocare Technologies Limited (“the Company”) as approved by the Board of Directors of the Company on 24 December 2015, prepared by the management of the Company in terms of the requirements of Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the ‘SEBI Regulations’), the Guidance Note on ‘Reports in Company’s Prospectus (Revised)’ issued by the Institute of Chartered Accountants of India (‘ICAI’) to the extent applicable (‘Guidance Note’), and in terms of our engagement agreed with you in accordance with our engagement letter dated 18 November 2015 in connection with the proposed issue of Equity Shares of the Company by way of an offer for sale by the selling shareholders.

These restated standalone summary financial information have been extracted by the Management from the Company’s standalone audited financial statements for the six months period ended 30 September 2015 and for the years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011. We have audited the standalone financial statements of the Company for the six months period ended 30 September 2015. The standalone financial statements for years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 were audited by M/s B S R and Co, Chartered Accountants and reliance has been placed on the standalone financial statements audited by them and the financial report included for these years i.e., for the years ended 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012, are based solely on the report submitted by them.. M/s B S R and Co and M/s B S R & Co. LLP are member entities of B S R & Affiliates, a network, registered with the Institute of Chartered Accountants of India. The standalone financial statements for the year ended 31 March 2011 was audited by M/s S D Khanolkar & Co, Chartered Accountants and reliance has been placed on the standalone financial statements audited by them and the financial report included for the year ended 31 March 2011, is based solely on the report submitted by them.

- 1 In accordance with the requirements of Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations; the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we further report that:

- a) The Restated Standalone Summary Statement of Assets and Liabilities as at 30 September 2015, 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011, examined by us, as set out in Annexure I to this report read with the significant accounting policies in Annexure IV are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes to the Restated Standalone Summary Financial Information enclosed as Annexure IV to this report. For the six months period ended 30 September 2015 reliance has been placed on the financial statements audited by us, for the years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 reliance has been placed by us on the financial statements audited by M/s B S R and Co, Chartered Accountants and for the year ended 31 March 2011, reliance has been placed by us on the financial statements audited by M/s S D Khanolkar & Co, Chartered Accountants. As a result of these adjustments, the amounts reported in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years/period.
- b) The Restated Standalone Summary Statement of Profit and Loss of the Company for the six months period ended 30 September 2015 and for the years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 as set out in Annexure II to this report read with the significant accounting policies in Annexure IV are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes to the Restated Standalone Summary Financial Information enclosed as Annexure IV to this report. For the six months period ended 30 September 2015 reliance has been placed on the financial statements audited by us, for the years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 reliance has been placed by us on the financial statements audited by M/s B S R and Co, Chartered Accountants and for the year ended 31 March 2011 reliance has been placed by us on the financial statements audited by M/s S D Khanolkar & Co, Chartered Accountants. As a result of these adjustments, the amounts reported in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years/period.
- c) The Restated Standalone Summary Statement of Cash Flows of the Company for the six months period ended 30 September 2015 and for the years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 as set out in Annexure III to this report read with the significant accounting policies in Annexure IV are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes to the Restated Standalone Summary Financial Information enclosed as Annexure IV to this report. For the six months period ended 30 September 2015 reliance has been placed on the financial statements audited by us, for the years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 reliance has been placed by us on the financial statements audited by M/s B S R and Co, Chartered Accountants and for the year ended 31 March 2011 reliance has been placed by us on the financial statement audited by M/s S D Khanolkar & Co, Chartered Accountants. As a result of these adjustments, the amounts reported in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years/period.

- 2 Based on the above, and based on the reliance placed on the standalone financial statements audited by M/s B S R and Co, Chartered Accountants, for the years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and by M/s S D Khanolkar & Co, Chartered Accountants, for the year ended 31 March 2011, we are of the opinion that the Restated Standalone Summary Financial Information:
- i) has been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods based on the significant accounting policies adopted by the Company as at 30 September 2015;
  - ii) has been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate to; and
  - iii) do not contain any extra-ordinary items that need to be disclosed separately other than those presented in the Restated Standalone Summary Financial Information and do not contain any qualifications requiring adjustments.
  - iv) Other remarks/comments in the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, on the financial statements of the Company for the years ended 31 March 2014, 31 March 2013 and 31 March 2012 which do not require any corrective adjustment in the Restated Standalone Summary Financial Information are mentioned in Clause 3D "Non-adjusting items" under Annexure IV.
- 3 We have also examined the following restated standalone summary financial information as set out in the Annexures prepared by the management of the Company and approved by the Board of Directors on 24 December 2015, relating to the Company for the six months period ended 30 September 2015 and for the years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011.
- i) Restated Standalone Statement of Current and Non-Current, included in Annexure V;
  - ii) Restated Standalone Statement of Inventories, included in Annexure VA;
  - iii) Restated Standalone Statement of Trade receivables, included in Annexure VI;
  - iv) Restated Standalone Statement of Cash and Bank Balances, included in Annexure VII;
  - v) Restated Standalone Statement of Long-term and Short-term Loan and Advances and Other Non-Current and Current Assets, included in Annexure VIII;
  - vi) Restated Standalone Statement of Long-term and Short-term Borrowings, included in Annexure IX;
  - vii) Restated Standalone Statement of Current and Non-Current Liabilities and Long-term and Short-term Provisions, included in Annexure X;
  - viii) Restated Standalone Statement of Share Capital, included in Annexure XI;
  - ix) Restated Standalone Statement of Reserves and Surplus, included in Annexure XII;
  - x) Restated Standalone Statement of Revenue from Operations, included in Annexure XIII;
  - xi) Restated Standalone Statement of Other Income, included in Annexure XIV;

- xii) Restated Standalone Statement of Expenses, included in Annexure XV;
  - xiii) Restated Standalone Statement of Dividend, included in Annexure XVI;
  - xiv) Restated Standalone Statement of Related Party Transactions, included in Annexure XVII;
  - xv) Capitalization statement, as appearing in Annexure XVIII;
  - xvi) Restated Standalone Statement of Accounting Ratios, included in Annexure XIX;
  - xvii) Restated Standalone Statement of Tax Shelter, included in Annexure XX;
- 4 This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or other firms of Chartered Accountants, nor should this report be construed as an opinion on any of the standalone financial statements referred to herein.
- 5 We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- In our opinion, the above restated standalone summary financial information contained in Annexure I to Annexure XX accompanying this report read along with the Significant Accounting Policies and Notes to Restated Standalone Summary Financial Information (Refer Annexure IV) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable, SEBI Regulations, the Guidance note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement as agreed with you.
- 6 Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of Equity Shares of the Company by way of an offer for sale by the selling shareholders. Our report should not be used, referred to or distributed for any other purpose except with our consent in writing.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Sadashiv Shetty**

*Partner*

Membership No: 048648

Mumbai

24 December 2015

# Thyrocare Technologies Limited

## Annexure I

### Restated Standalone Summary Statement of Assets and Liabilities

(Rs. in million)

| Particulars                    | As at             |                 |                 |                 |                 |                 |
|--------------------------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                | 30 September 2015 | 31 March 2015   | 31 March 2014   | 31 March 2013   | 31 March 2012   | 31 March 2011   |
| <b>Equity and liabilities</b>  |                   |                 |                 |                 |                 |                 |
| <b>Shareholders' funds</b>     |                   |                 |                 |                 |                 |                 |
| Share capital                  | 505.36            | 505.36          | 109.18          | 109.18          | 108.09          | 108.09          |
| Reserves and surplus           | 2,140.14          | 2,283.83        | 1,953.45        | 1,491.89        | 916.67          | 567.24          |
|                                | <b>2,645.50</b>   | <b>2,789.19</b> | <b>2,062.63</b> | <b>1,601.07</b> | <b>1,024.76</b> | <b>675.33</b>   |
| <b>Non-current liabilities</b> |                   |                 |                 |                 |                 |                 |
| Long-term borrowings           | -                 | -               | 250.00          | 250.00          | 250.00          | 250.00          |
| Other long term liabilities    | 53.28             | 55.98           | 59.12           | 64.09           | 52.81           | 32.34           |
| Deferred tax liability (net)   | -                 | -               | 6.09            | 0.72            | -               | -               |
| Long-term provisions           | 31.62             | 32.93           | 15.39           | 9.77            | 8.85            | 6.53            |
|                                | <b>84.90</b>      | <b>88.91</b>    | <b>330.60</b>   | <b>324.58</b>   | <b>311.66</b>   | <b>288.87</b>   |
| <b>Current liabilities</b>     |                   |                 |                 |                 |                 |                 |
| Trade payables                 | 27.71             | 8.20            | 15.14           | 2.06            | 5.56            | 35.39           |
| Other current liabilities      | 61.65             | 40.88           | 44.64           | 26.99           | 18.94           | 7.23            |
| Short-term provisions          | 262.70            | 16.53           | 4.30            | 10.65           | 9.85            | 2.62            |
|                                | <b>352.06</b>     | <b>65.61</b>    | <b>64.08</b>    | <b>39.70</b>    | <b>34.35</b>    | <b>45.24</b>    |
| <b>TOTAL</b>                   | <b>3,082.46</b>   | <b>2,943.71</b> | <b>2,457.31</b> | <b>1,965.35</b> | <b>1,370.77</b> | <b>1,009.44</b> |
| <b>Assets</b>                  |                   |                 |                 |                 |                 |                 |
| <b>Non-current assets</b>      |                   |                 |                 |                 |                 |                 |
| <b>Fixed assets</b>            |                   |                 |                 |                 |                 |                 |
| Tangible assets                | 895.37            | 834.19          | 864.68          | 742.20          | 190.50          | 162.17          |
| Intangible assets              | 9.19              | 10.76           | 8.59            | 7.93            | 5.84            | 1.86            |
| Capital work-in-progress       | 32.29             | 54.97           | 64.34           | 104.61          | -               | -               |
| Non-current investments        | 987.65            | 987.65          | 176.15          | 176.15          | 240.00          | 240.00          |
| Deferred tax asset (net)       | 16.76             | 12.22           | -               | -               | 2.69            | 1.19            |
| Long-term loans and advances   | 51.40             | 54.34           | 56.05           | 53.94           | 33.93           | 44.55           |
|                                | <b>1,992.66</b>   | <b>1,954.13</b> | <b>1,169.81</b> | <b>1,084.83</b> | <b>472.96</b>   | <b>449.77</b>   |
| <b>Current assets</b>          |                   |                 |                 |                 |                 |                 |
| Current investments            | 392.38            | 636.95          | 1,013.92        | 596.03          | -               | -               |
| Inventories                    | 72.99             | 70.53           | 62.95           | 52.45           | 50.97           | 40.02           |
| Trade receivables              | 58.31             | 46.44           | 49.06           | 33.33           | 34.33           | 29.57           |
| Cash and bank balances         | 138.15            | 42.85           | 119.02          | 175.30          | 590.31          | 400.41          |
| Short-term loans and advances  | 130.66            | 86.81           | 42.55           | 22.41           | 219.06          | 78.61           |
| Other current assets           | 297.31            | 106.00          | -               | 1.00            | 3.14            | 11.06           |
|                                | <b>1,089.80</b>   | <b>989.58</b>   | <b>1,287.50</b> | <b>880.52</b>   | <b>897.81</b>   | <b>559.67</b>   |
| <b>TOTAL</b>                   | <b>3,082.46</b>   | <b>2,943.71</b> | <b>2,457.31</b> | <b>1,965.35</b> | <b>1,370.77</b> | <b>1,009.44</b> |

The above statement should be read with the Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Summary Financial Information, appearing in Annexure V to Annexure XX and Statement of Adjustments to Audited Standalone Financial Statements, appearing in Annexure I.

As per our report of even date attached.

For **B S R & Co. LLP**  
*Chartered Accountants*  
 Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
**Thyrocare Technologies Limited**  
 CIN - U85110MH2000PLC123882

**Sadashiv Shetty**  
*Partner*  
 Membership No: 048648

**Dr. A Velumani**  
*Managing Director*  
 DIN - 00002804

**A Sundararaju**  
*Director*  
 DIN - 00003260

**Ramjee D**  
*Company Secretary*  
 Membership No - F2966

Mumbai  
 24 December 2015

Mumbai  
 24 December 2015

Mumbai  
 24 December 2015

# Thyrocare Technologies Limited

## Annexure II

### Restated Standalone Summary Statement of Profit and Loss

(Rs. in million)

| Particulars                                          | For the six months ended |                 | For the years ended |                 |                 |               |
|------------------------------------------------------|--------------------------|-----------------|---------------------|-----------------|-----------------|---------------|
|                                                      | 30 September 2015        | 31 March 2015   | 31 March 2014       | 31 March 2013   | 31 March 2012   | 31 March 2011 |
| <b>Revenue</b>                                       |                          |                 |                     |                 |                 |               |
| Revenue from operations                              | 1,144.14                 | 1,800.76        | 1,499.78            | 1,342.61        | 1,090.76        | 778.65        |
| Other income                                         | 26.18                    | 69.70           | 65.77               | 57.25           | 51.09           | 33.42         |
| <b>Total revenue</b>                                 | <b>1,170.32</b>          | <b>1,870.46</b> | <b>1,565.55</b>     | <b>1,399.86</b> | <b>1,141.85</b> | <b>812.07</b> |
| <b>Expenses</b>                                      |                          |                 |                     |                 |                 |               |
| Cost of materials consumed                           | 307.46                   | 486.56          | 362.10              | 296.73          | 238.00          | 187.27        |
| Purchases of stock-in-trade                          | 29.40                    | 66.70           | 63.96               | 59.60           | 49.06           | 52.29         |
| Changes in inventories of stock-in-trade             | 4.05                     | (1.03)          | (0.96)              | (0.42)          | 3.61            | (5.18)        |
| Employee benefits expense                            | 99.97                    | 172.61          | 120.88              | 90.28           | 71.20           | 53.08         |
| Depreciation and amortisation                        | 51.60                    | 107.09          | 63.62               | 33.15           | 20.91           | 13.09         |
| Other expenses                                       | 220.51                   | 343.11          | 267.00              | 261.78          | 238.94          | 135.25        |
| <b>Total expenses</b>                                | <b>712.99</b>            | <b>1,175.04</b> | <b>876.60</b>       | <b>741.12</b>   | <b>621.72</b>   | <b>435.80</b> |
| <b>Profit before exceptional items and tax</b>       | <b>457.33</b>            | <b>695.42</b>   | <b>688.95</b>       | <b>658.74</b>   | <b>520.13</b>   | <b>376.27</b> |
| <b>Exceptional items</b>                             |                          |                 |                     |                 |                 |               |
| Gains on sale of non current investment              | -                        | -               | -                   | 120.00          | -               | -             |
| Profit on sale of cyclotron division                 | -                        | 20.77           | -                   | -               | -               | -             |
| <b>Profit after exceptional items and before tax</b> | <b>457.33</b>            | <b>716.19</b>   | <b>688.95</b>       | <b>778.74</b>   | <b>520.13</b>   | <b>376.27</b> |
| Tax expense:                                         |                          |                 |                     |                 |                 |               |
| Current tax                                          | 157.00                   | 250.00          | 222.03              | 207.13          | 172.20          | 132.87        |
| Deferred tax charge / (benefit)                      | (4.54)                   | (18.31)         | 5.36                | 3.42            | (1.50)          | (4.85)        |
|                                                      | <b>152.46</b>            | <b>231.69</b>   | <b>227.39</b>       | <b>210.55</b>   | <b>170.70</b>   | <b>128.02</b> |
| <b>Net profit after tax, as restated</b>             | <b>304.87</b>            | <b>484.50</b>   | <b>461.56</b>       | <b>568.19</b>   | <b>349.43</b>   | <b>248.25</b> |

The above statement should be read with the Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Summary Financial Information, appearing in Annexure V to Annexure XX and Statement of Adjustments to Audited Standalone Financial Statements, appearing in Annexure IV.

As per our report of even date attached.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
**Thyrocare Technologies Limited**  
CIN - U85110MH2000PLC123882

**Sadashiv Shetty**  
Partner  
Membership No: 048648

**Dr. A Velumani**  
Managing Director  
DIN - 00002804

**A Sundararaju**  
Director  
DIN - 00003260

**Ramjee D**  
Company Secretary  
Membership No - F2966

Mumbai  
24 December 2015

Mumbai  
24 December 2015

Mumbai  
24 December 2015



# Thyrocare Technologies Limited

## Annexure III

### Restated Standalone Summary Statement of cash flows

(Rs. in million)

| Particulars                                                             | For the six months ended |                 | For the years ended |                 |                 |                 |
|-------------------------------------------------------------------------|--------------------------|-----------------|---------------------|-----------------|-----------------|-----------------|
|                                                                         | 30 September 2015        | 31 March 2015   | 31 March 2014       | 31 March 2013   | 31 March 2012   | 31 March 2011   |
| <b>Cash flow from operating activities</b>                              |                          |                 |                     |                 |                 |                 |
| <b>Net profit before tax</b>                                            | 457.33                   | 716.19          | 688.95              | 778.74          | 520.13          | 376.27          |
| <b>Adjustments for:</b>                                                 |                          |                 |                     |                 |                 |                 |
| Depreciation and amortisation                                           | 51.60                    | 107.09          | 63.62               | 33.15           | 20.91           | 13.09           |
| Deferred revenue expenditures                                           | -                        | -               | -                   | -               | -               | 0.06            |
| Interest income                                                         | (0.01)                   | (3.30)          | (6.98)              | (37.83)         | (44.24)         | (18.44)         |
| Provision for diminution in value of investment                         | 1.04                     | 2.40            | -                   | -               | -               | -               |
| Profit on sale of current investments in mutual funds (net)             | (5.54)                   | (6.93)          | (10.13)             | (7.25)          | -               | -               |
| Unrealised loss on foreign exchange fluctuation                         | 1.09                     | 0.22            | -                   | -               | -               | -               |
| Advances written back                                                   | -                        | (10.03)         | -                   | -               | -               | -               |
| (Profit) on disposal of assets under slump sale arrangement             | -                        | (20.77)         | -                   | -               | -               | -               |
| Employee stock compensation expense                                     | 7.64                     | 8.18            | -                   | -               | -               | -               |
| Provision for wealth tax                                                | -                        | 0.06            | -                   | -               | -               | -               |
| Interest paid                                                           | -                        | 0.74            | -                   | -               | -               | -               |
| (Profit)/loss on sale of non current investment                         | -                        | -               | -                   | (120.00)        | -               | -               |
| (Profit)/loss on sale of fixed assets (net)                             | (0.44)                   | 0.17            | (0.42)              | (0.40)          | 0.31            | (5.78)          |
| Excess provision written back                                           | (2.09)                   | -               | -                   | -               | -               | (1.50)          |
| Dividend income from current investment                                 | (9.33)                   | (51.21)         | (27.16)             | (4.45)          | -               | -               |
| Operating cash flow before working capital changes                      | <b>501.29</b>            | <b>742.81</b>   | <b>707.88</b>       | <b>641.96</b>   | <b>497.11</b>   | <b>363.70</b>   |
| (Increase)/decrease in inventories                                      | (2.46)                   | (7.58)          | (10.50)             | (1.49)          | (10.95)         | (15.17)         |
| (Increase)/decrease in trade receivables                                | (12.91)                  | 2.60            | (15.73)             | 1.01            | (4.77)          | (10.24)         |
| (Increase)/decrease in loans and advances                               | (47.99)                  | (49.93)         | (19.40)             | 29.21           | 39.16           | 95.48           |
| (Increase)/decrease in other current assets                             | -                        | -               | -                   | -               | 8.91            | -               |
| Increase/(decrease) in other liabilities                                | 17.50                    | 6.74            | 12.68               | 19.33           | 31.20           | 2.03            |
| Increase/(decrease) in provisions                                       | 2.02                     | 20.33           | 5.67                | 1.36            | 3.00            | 1.65            |
| Increase/(decrease) in trade payables                                   | 19.49                    | (6.94)          | 13.08               | (3.51)          | (29.83)         | 7.09            |
| <b>Cash generated from operations</b>                                   | <b>476.94</b>            | <b>708.03</b>   | <b>693.68</b>       | <b>687.87</b>   | <b>533.83</b>   | <b>444.54</b>   |
| Net income tax (paid)                                                   | (138.27)                 | (228.24)        | (231.29)            | (228.64)        | (168.20)        | (136.77)        |
| <b>Net cash (used in)/generated from operating activities (A)</b>       | <b>338.67</b>            | <b>479.79</b>   | <b>462.39</b>       | <b>459.23</b>   | <b>365.63</b>   | <b>307.77</b>   |
| <b>Cash flow from investing activities</b>                              |                          |                 |                     |                 |                 |                 |
| Purchase of fixed assets, capital work in progress and capital advances | (92.48)                  | (156.29)        | (146.99)            | (687.98)        | (53.55)         | (47.70)         |
| Proceeds from sale of fixed assets                                      | 0.60                     | 0.76            | 0.93                | 0.71            | -               | 29.40           |
| Purchases of short-term investments                                     | (543.13)                 | (1,176.53)      | (3,070.64)          | (919.65)        | -               | -               |
| Sales proceeds of short-term investments                                | 603.77                   | 1,602.31        | 2,679.91            | 330.87          | -               | -               |
| Purchases of long-term investments                                      | -                        | (600.00)        | -                   | (16.15)         | -               | (240.00)        |
| Sales proceeds of long term investments                                 | -                        | -               | -                   | 200.00          | -               | -               |
| Long terms loans (given)/ repaid                                        | -                        | (0.34)          | -                   | 165.42          | (165.42)        | -               |
| Dividend income from mutual funds                                       | 9.33                     | 6.93            | 10.13               | 4.45            | -               | -               |
| Bank deposits (having original maturity of more than 3 months)          | (0.50)                   | 0.42            | (0.45)              | (0.37)          | (4.00)          | 2.80            |
| Interest received                                                       | 0.01                     | 0.05            | 7.98                | 39.98           | 43.24           | 16.30           |
| <b>Net cash (used in)/generated from investing activities (B)</b>       | <b>(22.40)</b>           | <b>(322.69)</b> | <b>(519.13)</b>     | <b>(882.72)</b> | <b>(179.73)</b> | <b>(239.20)</b> |
| <b>Cash flow from financing activities</b>                              |                          |                 |                     |                 |                 |                 |
| Increase/(Decrease) in Unsecured Loans                                  | -                        | -               | -                   | -               | -               | 250.00          |
| Issue of Share Capital (Including Securities Premium)                   | -                        | 0.34            | -                   | 8.11            | -               | -               |
| Dividend paid on equity shares                                          | (189.51)                 | (189.89)        | -                   | -               | -               | -               |
| Tax paid on dividend                                                    | (31.96)                  | (38.89)         | -                   | -               | -               | -               |
| <b>Net cash (used in)/generated from financing activities (C)</b>       | <b>(221.47)</b>          | <b>(228.44)</b> | <b>-</b>            | <b>8.11</b>     | <b>-</b>        | <b>250.00</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>     | <b>94.80</b>             | <b>(71.34)</b>  | <b>(56.74)</b>      | <b>(415.38)</b> | <b>185.90</b>   | <b>318.57</b>   |
| Cash and cash equivalents at the beginning of the period/year           | 42.85                    | 114.20          | 170.93              | 586.31          | 400.41          | 81.84           |
|                                                                         | <b>137.65</b>            | <b>42.85</b>    | <b>114.20</b>       | <b>170.93</b>   | <b>586.31</b>   | <b>400.41</b>   |

# Thyrocare Technologies Limited

## Annexure III (Continued)

### Restated Standalone Summary Statement of cash flows (Continued)

(Rs. in million)

| Particulars                                                    | For the six months   | For the years ended |               |               |               |               |
|----------------------------------------------------------------|----------------------|---------------------|---------------|---------------|---------------|---------------|
|                                                                | For the period ended | For the year        |               |               |               |               |
|                                                                | 30 September 2015    | 31 March 2015       | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| <b>Cash and cash equivalents at the end of the period/year</b> |                      |                     |               |               |               |               |
| Cash on hand                                                   | 1.10                 | -                   | -             | -             | -             | 0.21          |
| Cheques on hand                                                | -                    | -                   | -             | -             | -             | -             |
| Balance with banks                                             |                      |                     |               |               |               |               |
| -in current accounts                                           | 136.55               | 42.85               | 114.20        | 20.93         | 86.31         | 49.24         |
| -in deposits account                                           | -                    | -                   | -             | 150.00        | 500.00        | 350.96        |
| <b>Total</b>                                                   | <b>137.65</b>        | <b>42.85</b>        | <b>114.20</b> | <b>170.93</b> | <b>586.31</b> | <b>400.41</b> |

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements".
2. The above statement should be read with the Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Summary Financial Information, appearing in Annexure V to Annexure XX and Statement of Adjustments to Audited Standalone Financial Statements, appearing in Annexure

As per our report of even date attached.

For **B S R & Co. LLP**  
*Chartered Accountants*  
 Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
**Thyrocare Technologies Limited**  
 CIN - U85110MH2000PLC123882

**Sadashiv Shetty**  
*Partner*  
 Membership No: 048648

**Dr. A Velumani**  
*Managing Director*  
 DIN - 00002804

**A Sundararaju**  
*Director*  
 DIN - 00003260

**Ramjee D**  
*Company Secretary*  
 Membership No - F2966

Mumbai  
 24 December 2015

Mumbai  
 24 December 2015

Mumbai  
 24 December 2015

# Thyrocare Technologies Limited

## **Annexure IV - Notes to Restated Standalone Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and years ended 31 March 2015, 2014, 2013, 2012 and 2011**

### **1. Company overview**

Thyrocare Technologies Limited ("the Company") is fully automated diagnostic laboratory with a focus on providing quality reports at affordable costs to laboratories and hospitals in India and other countries. The Company operates through various Thyrocare Service Providers (TSPs), Thyrocare Aggregators (TAGs), through online portals and other online media for catering to various diagnostics requirements of their customers.

### **Basis of preparation**

The restated standalone summary statement of assets and liabilities, of the Company as at 30 September 2015, 31 March, 2015, 2014, 2013, 2012 and 2011 and the restated standalone summary statement of profit and loss, and the restated standalone summary statement of cash flows, for the six months period ended 30 September, 2015, and years ended 31 March, 2015, 2014, 2013, 2012 and 2011 and other financial information ("Collectively referred to as "Restated Standalone Summary Financial Information") have been derived by the Management from the then Audited Financial Statements of the Company for the corresponding years. These Restated Standalone Summary Financial Information have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering of existing equity shares of the Company. The Restated Standalone Summary Financial Information have been prepared in accordance with the requirements of:

(a) sub clause (i) and (iii) of clause (b) of sub section (1) of section 26 of the Companies Act, 2013; and

(b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time.

These Restated Standalone Summary Financial Information have been prepared after incorporating adjustments for the material amounts in the respective years to which they relate. There are no changes to accounting policies or incorrect accounting policies or auditors' qualification which require adjustment.

These Restated Standalone Summary Financial Information were approved by the Board of Directors on December 24, 2015.

### **Significant Accounting Policies**

#### ***i. Basis of Accounting and presentation***

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting, in accordance with the Generally Accepted Accounting Principles in India ('GAAP'), mandatory accounting standards as notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of Companies Act, 2013 to the extent applicable to the Company. All income and expenditure having a material bearing on the financial statements are recognised on accrual basis. The financial statements have been presented based on Schedule III to the Companies Act, 2013.

#### ***ii. Use of estimates***

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### ***iii. Current-non-current classification***

All assets and liabilities are classified into current and non-current.

##### **Assets**

An asset is classified as current when it satisfies any of the following criteria :

(a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realised within 12 months after the reporting date; or

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current position of non-current financial assets.

All other assets are classified as non-current.

# Thyrocare Technologies Limited

## Annexure IV - Notes to Restated Standalone Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and years ended 31 March 2015, 2014, 2013, 2012 and 2011 (Continued)

### Significant Accounting Policies (Continued)

#### iii. *Current–non-current classification (Continued)*

##### **Liabilities**

A liability is classified as current when it satisfies any of the following criteria :

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in the settlement by the issue of equity investments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

##### **Operating cycle**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

All assets and liabilities have been classified as current or non-current as per the criteria set out in Schedule III of the Companies Act, 2013.

Normal operating cycle for the Company is 12 months.

#### iv. *Inventories*

Inventories comprises of reagents, diagnostic material, consumables and stock in trade which are valued at lower of cost and net realisable value. Cost is determined under the first in first out method and includes all costs incurred in bringing the inventories to their present location and condition.

#### v. *Cash and cash equivalents (for purposes of Cash Flow Statement)*

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### vi. *Cash flow statement*

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### vii. *Revenue recognition*

Revenue from testing services is recognised once the testing samples are processed for diagnostic tests requisitioned.

Revenue from imaging services is recognised once the services are rendered.

Revenue from sale of products is recognised when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of products. Sales are accounted net of sales tax and trade discounts, if any.

Revenue from technical assistance and trade mark assignment is recognised once the company's right to receive the revenue is established by the reporting date. Revenue from technical assistance and trademark is recognised as per the agreed percentage of the turnover of the respective entities, as per the terms of the agreement.

Interest income is recognized using the time proportion method, based on the underlying interest rates. Dividend income if any is recognized when the right to receive dividend is established.

# Thyrocare Technologies Limited

## Annexure IV - Notes to Restated Standalone Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and years ended 31 March 2015, 2014, 2013, 2012 and 2011 (Continued)

### Significant Accounting Policies (*Continued*)

#### viii. *Fixed assets and depreciation*

##### a. **Tangible fixed assets**

Tangible assets are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes inward freight, duties, taxes (to the extent not recoverable from tax authorities) and expenses incidental to acquisition and installation of the fixed assets up to the time the assets are ready for intended use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

In respect of fixed assets purchased during the period, the depreciation is provided on a pro rata basis from the date on which such asset is ready to be put to use. Depreciation on tangible fixed assets, except leasehold land, is provided under the written down value method at the rates prescribed in Schedule II to the Act, which in the opinion of management reflects the economic useful lives of assets. Depreciation on sale of assets is provided up to the date of sale of the asset. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at higher rate based on the management's estimate of the useful life/ remaining useful life.

Leasehold land is amortised on a straight line basis over the primary period of lease.

##### b. **Intangible fixed assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset. Intangible assets are amortised over the estimated useful life not exceeding 5 years.

#### ix. *Impairment*

In accordance with AS 28 on 'impairment of assets', other fixed assets (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. 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 or CGU.

Impairment losses are recognised in profit or loss. However, an impairment loss on a revalued asset is recognised directly against any revaluation surplus to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. The impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the profit or loss; however, in the case of revalued assets, the reversal is credited directly to revaluation surplus except to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss.

#### x. *Investments*

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current-non-current classification scheme of Schedule III of the Companies Act, 2013.

Long term investments are stated at cost. Provision for diminution in value is made only when in the opinion of the management there is a diminution other than temporary in the carrying value of such investments determined separately for each investment. Current investments are valued at lower of cost and market value.



# Thyrocare Technologies Limited

## Annexure IV - Notes to Restated Standalone Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and years ended 31 March 2015, 2014, 2013, 2012 and 2011 (Continued)

### Significant Accounting Policies (*Continued*)

#### ***xi. Lease***

Operating lease payments are recognised as an expense on a straight-line basis over the non cancellable period of the lease term and charged to the Statement of profit and loss unless other systematic basis is more representative of the time pattern of the benefit. Any modifications in respect of lease terms or assumptions are recorded prospectively.

#### ***xii. Foreign exchange transactions***

Foreign exchange transactions are recorded into Indian rupees using the average of the opening and closing spot rates on the dates of the respective transaction. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the Statement of profit and loss of the period.

Monetary items (including long-term monetary items) in foreign currency, which are outstanding as at the year-end are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of profit and loss. Non-monetary foreign currency items are carried at cost.

#### ***xiii. Employee benefits***

##### Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include salary, wages and bonus, compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period of rendering of service by the employees.

##### Post employment benefits

##### *Defined contribution plans*

The Company has defined contribution plans for post employment benefits namely Provident Fund. Under the provident fund plan, the Company contributes to a Government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution. The Company makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995 and has no further obligation beyond making the payment to them. The Company's contributions to the above funds are charged to the Statement of profit and loss every year.

##### *Defined benefit plans*

The Company's gratuity benefit scheme are defined benefit plans. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

##### *Other long-term employment benefits*

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

# Thyrocare Technologies Limited

## Annexure IV - Notes to Restated Standalone Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and years ended 31 March 2015, 2014, 2013, 2012 and 2011 (Continued)

### Significant Accounting Policies (Continued)

#### xiv. *Earnings per share*

Basic EPS is computed by dividing the net profit attributable to shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti dilutive.

#### xv. *Employee stock options*

The excess of the market price of shares, at the date of grant of options under the Employees Stock Option Scheme of the Company, over the exercise price is regarded as employee compensation, and recognised on a straight-line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

#### xvi. *Taxes on income*

##### Income tax

Income tax expense comprises current tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions, in accordance with the Income tax Act, 1961.

##### Deferred tax

Deferred tax charge or credit and the corresponding deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/ losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

#### xvii. *Provisions and contingencies*

Provision is recognised in the balance sheet when the Company has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimation can be made of the amount required to settle the obligation. Contingent liabilities arising from claims, litigation, assessment, fines, penalties etc. are disclosed when there is a possible obligation or a present obligation as a result of a past event where it is not probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reasonably estimated. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosures is made.

# Thyrocare Technologies Limited

## Annexure IV - Notes to Restated Standalone Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and years ended 31 March 2015, 2014, 2013, 2012 and 2011

### 2. Impact of Material Adjustments

The summary of results of restatement made in the audited Standalone financial statements for the respective years and its impact on the profit/(loss) of the Company is as follows

(Rs. in million)

| Particulars                                                                                     | For the six months ended |               | For the years ended |               |               |                |
|-------------------------------------------------------------------------------------------------|--------------------------|---------------|---------------------|---------------|---------------|----------------|
|                                                                                                 | 30 September 2015        | 31 March 2015 | 31 March 2014       | 31 March 2013 | 31 March 2012 | 31 March 2011  |
| <b>Net profit after tax as per audited statement of profit and loss</b>                         | 302.11                   | 486.54        | 457.66              | 565.60        | 350.10        | 260.53         |
| <b>Adjustments on account of: (refer Note 3 A)</b>                                              |                          |               |                     |               |               |                |
| a) Revenue from testing services                                                                | -                        | -             | -                   | -             | -             | 1.88           |
| b) Depreciation/ amortisation                                                                   | -                        | -             | -                   | -             | (2.06)        | 0.44           |
| c) Recognition of advertisement expenses                                                        | -                        | -             | -                   | -             | 0.17          | (21.17)        |
| d) Provision for employee benefits                                                              | 13.37                    | (2.97)        | (4.09)              | (0.60)        | (1.43)        | 0.88           |
| e) Bad debts written off/ Bad debts recovered                                                   | -                        | -             | -                   | -             | (0.41)        | 0.13           |
| (f) Preliminary expenses adjustment                                                             | -                        | -             | -                   | -             | -             | 0.06           |
| g) Expenses on account of contribution to ESIC                                                  | -                        | 1.15          | 0.68                | (0.41)        | (0.29)        | (0.45)         |
| h) Revenue from unutilised advances on expired projects                                         | -                        | (7.29)        | 6.59                | 0.43          | -             | 0.27           |
| i) Profit on sale of cyclotron business                                                         | (2.98)                   | 2.98          | -                   | -             | -             | -              |
| Total impact of the adjustments                                                                 | 10.39                    | (6.13)        | 3.18                | (0.58)        | (4.02)        | (17.96)        |
| j) Short/Excess provision of income tax of earlier years and Deferred tax impact of adjustments | (7.63)                   | 4.09          | 0.72                | 3.17          | 3.35          | 5.68           |
| <b>Total adjustments</b>                                                                        | <b>2.76</b>              | <b>(2.04)</b> | <b>3.90</b>         | <b>2.59</b>   | <b>(0.67)</b> | <b>(12.28)</b> |
| <b>Net profit after tax, as restated</b>                                                        | <b>304.87</b>            | <b>484.50</b> | <b>461.56</b>       | <b>568.19</b> | <b>349.43</b> | <b>248.25</b>  |

### 3. Notes on adjustments to the restated standalone summary statements and other disclosures

#### A) Other material adjustments

**(a) Revenue from testing services :** The company had conducted certain corporate projects during financial year 2008-2009 and 2009-2010. The structure of these corporate projects was such that it enables the beneficiary to use the entitlement (prepaid coupons) during the period of the project. Some of these projects were initiated at around the end of the financial year and the actual testing services was availed by the beneficiaries in the subsequent financial year before the maturity date of the contract. The company had recognised revenue upfront on receipt of the consideration on initiation of the project and on transfer of the entitlement (coupon etc.). For the purpose of restatement, adjustment is made to reflect the revenue in the financial year of availment of services.

**(b) Depreciation/ amortisation :** Amortisation of leasehold land was determined at rate applicable for the building instead of being amortised over the lease period. For the purpose of restatement, leasehold land has now been amortised over the lease period and accordingly, depreciation/ amortisation charge has been adjusted in respective years.

**(c) Recognition of advertisement expenses :** Advertisement cost in the earlier years was charged to profit and loss at the time of bulk booking, instead of expensing it based on date of release of advertisement. For the purpose of restatement, adjustment is made to reflect advertisement expense in respective years.

**(d) Provision for employee benefits:** During the financial year 2010-2011, provision for employee benefits was made on the basis of actuarial valuation in compliance of the Accounting Standard - 1, which was earlier accounted for by the Company on payment. Accordingly provision for employee benefits has been recomputed on actuarial valuation basis for each preceding year and consequently the adjustments have been made in the expense for leave encashment for the years ended 31 March, 2011 and the brought forward balance in Profit and Loss Account as at 1 April, 2010. Further leave encashment and gratuity liability for certain employees were not accrued till financial year 2014-2015. The Company accrued for said liability basis actuarial valuation during the six months period ended 30 September, 2015. For the purpose of restatement, the said liability has been adjusted in respective years to which it pertains.

**(e) Bad debts written off / Bad debts recovered:** For the purpose of restatement, bad debts have been appropriately adjusted in the respective years in which they originated. During the financial year 2011-2012 the Company had recovered bad debts written off in the financial year 2009-2010. For the purpose of restatement, adjustment has been done in respective years.

**(f) Preliminary expenses adjustment:** In the past, the Company had a policy to defer preliminary expenses. For the purpose of restatement, deferred revenue expense has been charged off in the years in which it has been incurred.

**(g) Expenses on account of contribution to ESIC:** For the purpose of restatement, the short payment of ESIC dues for respective financial years are adjusted based on assessment/ inspection/orders.

**(h) Revenue from unutilised advances on expired projects:** For the purpose of restatement, the revenue on account of unutilised advances in relation to expired corporate projects have been recognised in respective financial years during which these projects have expired.

**(i) Profit on sale of cyclotron business:** The company has during the financial period ended 30 September, 2015, amended the terms of the slump sale agreement dated 26 March, 2015, thereby adjusting the consideration originally agreed for the sale of cyclotron business, resulting in incremental gain. For the purpose of restatement incremental gain has been recorded in the year of sale of cyclotron business.



**(j) Short/Excess provision of income tax of earlier years and Deferred tax impact of adjustments:** The Statement of Profit and Loss of certain years include amounts paid/ provided for or refunded/ written back, in respect of shortfall/ excess current tax arising upon filing of tax returns, assessments etc. For the purpose of restatement, these have now been adjusted in the respective years to which they relate. Deferred tax has been computed on adjustments made. For the purpose of restatement, the same has now been adjusted in the respective years to which the adjustments relate.

# Thyrocare Technologies Limited

## Annexure IV - Notes to Restated Standalone Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and years ended 31 March 2015, 2014, 2013, 2012 and 2011 (Continued)

### 3. Notes on adjustments to the restated unconsolidated summary statements and other disclosures (Continued)

#### B) Regrouping

Appropriate adjustments have been made in the Restated summary financial information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the six months ended September 30, 2015 and year ended 31 March, 2015, prepared in accordance with Schedule III of the Companies Act, 2013 ("Act") and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended). Accordingly, the Company has presented the Restated summary financial information as at and for the years ended 31 March, 2014, 31 March, 2013, 31 March, 2012 and 31 March, 2011 following the requirements of Schedule III.

#### C) Material Regrouping

Appropriate adjustments have been made in the Restated Standalone Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the groupings as per the audited financials of the Company as at and for the period ended 30 September, 2015. The material regroupings made in the Restated Standalone Summary Statement of Assets and Liabilities are as under:-

- Advance from customers were netted off against trade receivable as at 31 March, 2013, 31 March, 2012, and 31 March, 2011 which have been regrouped under 'Other Current Liabilities' as 'Advances received from customers' in the restated standalone summary financial information.
- In the Financial year 2012-2013, the Company recorded a gain on sale of long term investments under the head "Other income". For the purpose of restatement, the same has been reclassified as exceptional item which is in line with Accounting Standard - 5 on "Net profit or loss for the period, prior period items and changes in accounting policies"

#### D) Non-Adjusting Events

Certain qualifications in the Annexure to the Auditor's report on Companies (Auditor's Report) Order, 2003 (as amended) ("CARO") on the financial statements for the years ended 31 March, 2015, 31 March, 2014, 31 March, 2013, 31 March, 2012 and 31 March, 2011 which do not require any corrective adjustment in the restated financial information pertained to

#### i) Financial year 2011-2012

Clause (ix)(b) of the CARO

According to the information and explanations given to us, there are no dues of Sales tax, Service tax, Customs duty and Cess which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Income-tax as listed below have not been deposited by the Company on account of disputes:

| Name of the Statute      | Nature of dues | Amount (Rs. Million) | Period to which relates | Forum where dispute is pending               |
|--------------------------|----------------|----------------------|-------------------------|----------------------------------------------|
| The Income Tax Act, 1961 | Income Tax     | 65.70                | 2008-09                 | Commissioner of Income tax (Appeals), Mumbai |
| The Income Tax Act, 1961 | Income Tax     | 74.72                | 2009-10                 | Commissioner of Income tax (Appeals), Mumbai |

#### ii) Financial year 2012-2013

Clause xviii of the CARO

The Company has made preferential allotment of equity shares during the year to a party covered in the register maintained under section 301 of the Act, pursuant to a special resolution of Board and Extraordinary General Body Meeting, at the value arrived at in accordance with net asset method, as per valuation report by a firm of chartered accountants. However, this method of valuation of equity shares may not be appropriate and in the absence of any other valuation carried out by the Company to determine the fair value of equity shares of the Company, we are unable to comment on this clause.

Clause (ix)(b) of the CARO

According to the information and explanations given to us, there are no dues of Sales tax, Service tax, Customs duty and Cess which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Income-tax as listed below have not been deposited by the Company on account of disputes:

| Name of the Statute      | Nature of dues | Amount (Rs. Million) | Period to which relates | Forum where dispute is pending               |
|--------------------------|----------------|----------------------|-------------------------|----------------------------------------------|
| The Income Tax Act, 1961 | Income Tax     | 93.46                | 2010-11                 | Commissioner of Income tax (Appeals), Mumbai |
| The Income Tax Act, 1961 | Income Tax     | 52.20                | 2011-12                 | Commissioner of Income tax (Appeals), Mumbai |

#### iii) Financial year 2013-2014

Clause (ix)(b) of the CARO

According to the information and explanations given to us, there are no dues of Sales tax, Service tax, Customs duty and Cess which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Income-tax and Employees' State Insurance as listed below have not been deposited by the Company on account of disputes:

| Name of the Statute      | Nature of dues | Amount (Rs. Million) | Period to which relates | Forum where dispute is pending               |
|--------------------------|----------------|----------------------|-------------------------|----------------------------------------------|
| The Income Tax Act, 1961 | Income Tax     | 93.46                | 2010-11                 | Commissioner of Income tax (Appeals), Mumbai |
| The Income Tax Act, 1961 | Income Tax     | 52.20                | 2011-12                 | Commissioner of Income tax (Appeals), Mumbai |

Thyrocare Technologies Limited

Annexure IV - Notes to Restated Standalone Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and years ended 31 March 2015, 2014, 2013, 2012 and 2011 (Continued)

3. Notes on adjustments to the restated unconsolidated summary statements and other disclosures (Continued)

|                                          |                            |       |         |                              |
|------------------------------------------|----------------------------|-------|---------|------------------------------|
| The Employees' State Insurance Act, 1948 | Employees' State Insurance | 0.68* | 2009-10 | Deputy Director, ESIC, Thane |
| * *paid under protest on 21 June 2014    |                            |       |         |                              |

# Thyrocare Technologies Limited

## Annexure IV - Notes to Restated Standalone Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and years ended 31 March 2015, 2014, 2013, 2012 and 2011 *(Continued)*

### 3. Notes on adjustments to the restated unconsolidated summary statements and other disclosures *(Continued)*

#### E Restatement adjustments made in the audited opening balance figures in the net surplus in the statement of profit and loss at 1 April, 2010

| Particulars                                                                    | Rs. in Millions |
|--------------------------------------------------------------------------------|-----------------|
| <b>(A) Net surplus as at April 1, 2010 as per audited financial statements</b> | <b>3.62</b>     |
| <b>Adjustments</b>                                                             |                 |
| (a) Revenue from testing services                                              | (1.88)          |
| (b) Depreciation/ amortisation                                                 | 1.63            |
| (c) Recognition of advertisement expenses                                      | 21.00           |
| (d) Provision for employee benefits                                            | (5.17)          |
| (e) Bad debts written off/ Bad debts recovered                                 | 0.29            |
| (f) Preliminary expenses adjustment                                            | (0.06)          |
| g) Expenses on account of contribution to ESIC                                 | (0.68)          |
| <b>(B) Total adjustments</b>                                                   | <b>15.13</b>    |
| <b>(C) Tax impact of the adjustments</b>                                       | <b>(9.38)</b>   |
| <b>(A) Net surplus as at 1 April 2010, as restated</b>                         | <b>9.37</b>     |

# Thyrocare Technologies Limited

## **Annexure IV - Notes to Restated Standalone Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and years ended 31 March 2015, 2014, 2013, 2012 and 2011 (*Continued*)**

### **4. Contingent liabilities and Capital commitments and other commitments**

#### **Note A : Financial year 2010-2011**

##### **Capital and other commitments**

I) The company has entered into Reagent Rental Arrangements for a period of upto 60 months with some of its major reagent suppliers. As per the terms of the agreement these reagent suppliers have placed the analysers/ diagnostic equipments at no cost in the processing laboratory. The analysers/ diagnostic equipments are programmed by the manufacturers to be used only against the reagent supplier's brand of reagent kits. The commitments as per these arrangements are either purchase commitments or rate commitments based on the workloads. As at 31 March, 2011, the value of per annum purchase commitments given as per the terms of these arrangements were Rs. 94.38 million. The management is confident that the company will honor these commitments given to the vendors.

#### **Note B : Financial year 2011-2012**

##### **Capital and other commitments**

I) The company has entered into Reagent Rental Arrangements for a period of upto 60 months with some of its major reagent suppliers. As per the terms of the agreement these reagent suppliers have placed the analysers/ diagnostic equipments at no cost in the processing laboratory. The analysers/ diagnostic equipments are programmed by the manufacturers to be used only against the reagent supplier's brand of reagent kits. The commitments as per these arrangements are either purchase commitments or rate commitments based on the workloads. As at 31 March, 2012, the value of per annum purchase commitments given as per the terms of these arrangements were Rs. 140.73 million. The management is confident that the company will honor these commitments given to the vendors.

##### **Contingent Liabilities**

II) The promoters of the Company, the Company and the investors have entered into an investment agreement on 24 December, 2010 for subscribing to the compulsory convertible debentures and purchase of equity shares of the company by the investors. Further to this the promoters of the Company, the Company and the investors have entered into an investment agreement on 30 August, 2011 for subscribing to the equity shares of NewCo (Nueclear Healthcare Limited). As per the terms of these investment agreements the promoters are obliged to honor certain financial and operational commitments during the tenure of these investment agreements such that the investor yields an IRR of at least 18% of their investments at the time of exit as specified. During the current financial year the management has not come across any instances wherein the said commitments are not achieved.

III) The company has received notices in April 2012 dated 30 March, 2012 for assessment years 2009-2010 and 2010-2011, from the income tax department alleging potential liability in connection with alleged failure by the company to deduct tax at source as determined in the arbitrary order passed by the department received along with the notice. The company has filed an appeal before the CIT (Appeals) against the impugned order. The Company has further filed a stay application against the demand raised as per the said order which is pending for hearing. The management believes that stance adopted by the Company is appropriate and the Company is not liable for such withholding tax. The management intends to defend this position and therefore no provision is considered necessary as at the balance sheet date.

#### **Note B : Financial year 2012-2013**

##### **Capital and other commitments**

I) The company has entered into Reagent Rental Arrangements for a period of upto 60 months with some of its major reagent suppliers. As per the terms of the agreement these reagent suppliers have placed the analysers/ diagnostic equipments at no cost in the processing laboratory. The analysers / diagnostic equipments are programmed by the manufacturers to be used only against the reagent supplier's brand of reagent kits. The commitments as per these arrangements are either purchase commitments or rate commitments based on the workloads. As at 31 March, 2013, the value of per annum purchase commitments given as per the terms of these arrangements were Rs. 133.00 million. The management is confident that the company will honor these commitments given to the vendors.

##### **Contingent Liabilities**

II) The promoters of the Company, the Company and the investors had entered into an investment agreement on 24 December, 2010 for subscribing to the compulsory convertible debentures and purchase of equity shares of the company by the investors. Further to this the promoters of the Company, the Company and the investors had entered into an investment agreement on 30 August, 2011 for subscribing to the equity shares of NewCo (Nueclear Healthcare Limited). The Investment Agreement dated 24 December, 2010 was substituted by Share Purchase cum Shareholders Adherence cum Amendment Agreement on 25 September, 2012. As per the terms of these subsisting investment agreements the promoters are obliged to honor certain financial and operational commitments during the tenure of these investment agreements such that the existing investors as defined in these agreements yields an IRR of at least 18% of their investments of Rs 150 Crore, at the time of exit and the new investors as defined in these agreements, though are not entitled to yield in terms of an IRR are entitled to their investments of Rs 120 Crore at least, at the time of exit. During the current financial year the management has not come across any instances wherein the said commitments are not achieved.

III) The company had received notices in April 2012 dated 30 March, 2012 for assessment years 2009-2010 and 2010-2011, from the income tax department alleging potential liability in connection with alleged failure by the Company to deduct tax at source as determined in the arbitrary order passed by the department received along with the notice. The company had filed an appeal before the CIT (Appeals) against the impugned order. The Company had further filed a stay application against the demand raised as per the said order which was pending for hearing till the balance sheet date. Subsequent to the year end, the hearing took place in April 2013 and a favourable appellate order was received by the Company in June 2013. During March 2013, the Company received the orders for assessment years 2011-2012 and 2012-2013 on the same matter. Subsequent to the year end, in April 2013, the Company has filed adequate reply before the appellate authority. Based on the favourable appellate order received as above, the management believes that stance adopted by the Company is appropriate and the Company is not liable for such withholding tax. Therefore no provision is considered necessary as at the balance sheet date.



# Thyrocare Technologies Limited

## Annexure IV - Notes to Restated Standalone Summary Statements of Assets and Liabilities, Statement of Profit and Loss and Cash flows for

### 4. Contingent liabilities and capital commitments, as restated (*Continued*)

#### Note C : Financial year 2013-2014

##### Capital and other commitments

I) The company has entered into Reagent Rental Arrangements for a period of upto 60 months with some of its major reagent suppliers. As per the terms of the agreement these reagent suppliers have placed the analysers/ diagnostic equipments at no cost in the processing laboratory. The analysers / diagnostic equipments are programmed by the manufacturers to be used only against the reagent supplier's brand of reagent kits. The commitments as per these arrangements are either purchase commitments or rate commitments based on the workloads. As at 31 March, 2014, the value of per annum purchase commitments given as per the terms of these arrangements aggregate Rs. 220.14 million. The management is confident that the company will honor these commitments given to the vendors.

##### Contingent Liabilities

II) The promoters of the Company, the Company and the investors had entered into an investment agreement on 24 December, 2010 for subscribing to the compulsory convertible debentures and purchase of equity shares of the company by the investors. Further to this the promoters of the Company, the Company and the investors had entered into an investment agreement on 30 August, 2011 for subscribing to the equity shares of New Co (Nuclear Healthcare Limited). The Investment Agreement dated 24 December, 2010 was substituted by Share Purchase cum Shareholders Adherence cum Amendment Agreement on 25 September, 2012. As per the terms of these subsisting investment agreements the promoters are obliged to honor certain financial and operational commitments during the tenure of these investment agreements such that the existing investors as defined in these agreements yields an IRR of at least 18% of their investments of Rs 150 Crore, at the time of exit and the new investors as defined in these agreements, though are not entitled to yield in terms of an IRR are entitled to their investments of Rs 120 Crore at least, at the time of exit. During the current financial year the management has not come across any instances wherein the said commitments are not achieved.

As per the terms of the stated investment agreements, the company and the promoters were obliged to offer an exit to the original investor through conduct of Qualified Initial Public Offering ("QIPO"). The stakeholders have unanimously in duly convened board meeting approved the extension of the date for conduct of QIPO upto 31 December, 2014.

III) The company had received notices in April 2012 dated 30 March, 2012 for assessment years 2009-2010 and 2010-2011, from the income tax department alleging potential liability in connection with alleged failure by the Company to deduct tax at source as determined in the arbitrary order passed by the department received along with the notice. The company had filed an appeal before the CIT (Appeals) against the impugned order. The Company had further filed a stay application against the demand raised as per the said order which was pending for hearing till 31 March, 2013. Subsequent to the year end, the hearing took place in April 2013 and a favourable appellate order was received by the Company in June 2013. During March 2013, the Company received the orders for assessment years 2011-2012 and 2012-2013 on the same matter. Subsequent to the year end, in April 2013, the Company has filed adequate reply before the appellate authority. Based on the favourable appellate order received as above, the management believes that stance adopted by the Company is appropriate and the Company is not liable for such withholding tax. Therefore no provision is considered necessary as at 31 March, 2014.

#### Note D : Financial year 2014-2015

##### Capital and other commitments

I) The company has entered into Reagent Rental Arrangements for a year ranging from 2 years to 6 years with some of its major reagent suppliers. As per the terms of the agreement, these reagent suppliers have placed the analysers/ diagnostic equipments at no cost in the processing laboratory. The analysers / diagnostic equipments are programmed by the manufacturers to be used only against the reagent supplier's brand of reagent kits. The commitments as per these arrangements are either purchase commitments or rate commitments based on the workloads. The value of purchase commitments given for the next annual year as per the terms of these arrangements aggregate Rs. 449.18 million. The estimated amount of contracts remaining to be executed on capital account and not provided for towards tangible assets aggregates to Rs. 18.20 million.

##### Contingent Liabilities

II) The promoters of the Company, the Company and the investors had entered into an investment agreement on 24 December 2010 for subscribing to the compulsorily convertible debentures and purchase of equity shares of the company by the investors. Further to this the promoters of the Company, the Company and the investors had entered into an investment agreement on 30 August 2011 for subscribing to the equity shares of New Co (Nuclear Healthcare Limited). The Investment Agreement dated 24 December 2010 was substituted by Share Purchase cum Shareholders Adherence cum Amendment Agreement on 25 September 2012. As per the terms of these subsisting investment agreements the promoters are obliged to honor certain financial and operational commitments during the tenure of these investment agreements such that the existing investors as defined in these agreements yields an IRR of at least 18% on their investments of Rs 150 Crore, at the time of exit and the new investors as defined in these agreements, though are not entitled to yield in terms of an IRR are entitled at least to their investments of Rs 120 Crore, at the time of exit. During the current financial year the management has not come across any instances wherein the said commitments are not achieved.

As per the terms of the stated investment agreements, the company and the promoters were obliged to offer an exit to the original investor through conduct of Qualified Initial Public Offering ("QIPO"). The stakeholders have unanimously in duly convened board meeting approved the extension of the date for conduct of QIPO upto 31 December 2015.

# Thyrocare Technologies Limited

## Annexure IV - Notes to Restated Standalone Summary Statements of Assets and Liabilities, Statement of Profit and Loss and Cash flows for

### 4. Contingent liabilities and capital commitments, as restated (*Continued*)

#### Note D : Financial year 2014-2015 (*Continued*)

III) The company had received notices in April 2012 dated 30 March, 2012 for assessment years 2009-2010 and 2010-2011, from the income tax department alleging potential liability in connection with alleged failure by the Company to deduct tax at source as determined in the arbitrary order passed by the department received along with the notice. The company had filed an appeal before the CIT (Appeals) against the impugned order. The Company had further filed a stay application against the demand raised as per the said order which was pending for hearing till 31 March, 2013. Subsequently the hearing took place in April 2013 and a favourable appellate order was received by the Company in June 2013. During March 2013, the Company received the orders for assessment years 2011-2012 and 2012-2013 on the same matter. Subsequently in April 2013, the Company has filed adequate reply before the appellate authority. Based on the favourable appellate order received as above, the CIT(Appeals) has passed a favourable order in August 2014 and thereby cancelled the demands raised vide assessing officer order. Meanwhile the company has received intimation of the appeal filed by the department before the ITAT for the assessment year 2009-2010 and 2010-2011 against the favourable order passed by the CIT (Appeals). The company has already filed before the Tribunal the relevant replies to substantiate the order passed by the CIT (Appeals). The ITAT has passed an order remanding the matter back to the ITO (TDS) for further investigation in light of additional points raised during the course of the ITAT hearing. The company has filed a review application against the stated order of the ITAT and the company is yet to receive any reply against the review application filed and in view of the management no provision is considered necessary as at 31 March, 2015.

#### Note E : Financial period ended September 30, 2015

I) The company has entered into Reagent Rental Arrangements for a year ranging from 2 years to 6 years with some of its major reagent suppliers. As per the terms of the agreement, these reagent suppliers have placed the analysers/ diagnostic equipments at no cost in the processing laboratory. The analysers / diagnostic equipments are programmed by the manufacturers to be used only against the reagent supplier's brand of reagent kits. The commitments as per these arrangements are either purchase commitments or rate commitments based on the workloads. The value of purchase commitments given for the next annual year as per the terms of these arrangements aggregate Rs. 429.13 million. The estimated amount of contracts remaining to be executed on capital account and not provided for towards tangible assets aggregates to Rs. 3.85 million.

II) The promoters of the Company, the Company and the investors had entered into an investment agreement on 24 December 2010 for subscribing to the compulsorily convertible debentures and purchase of equity shares of the company by the investors. Further to this the promoters of the Company, the Company and the investors had entered into an investment agreement on 30 August 2011 for subscribing to the equity shares of New Co (Nuclear Healthcare Limited). The Investment Agreement dated 24 December 2010 was substituted by Share Purchase cum Shareholders Adherence cum Amendment Agreement on 25 September 2012. As per the terms of these subsisting investment agreements the promoters are obliged to honor certain financial and operational commitments during the tenure of these investment agreements such that the existing investors as defined in these agreements yields an IRR of at least 18% on their investments of Rs 150 Crore, at the time of exit and the new investors as defined in these agreements, though are not entitled to yield in terms of an IRR are entitled at least to their investments of Rs 120 Crore, at the time of exit. As per the terms of the investment agreement dated 24 December 2010, the company has already issued 1,510,000 equity shares in financial year 2014-2015, on conversion of the debentures acquired vide the terms of the agreement at consolidated subscription amount of Rs. 25 Crore. During the current financial year the management has not come across any instances wherein the said commitments are not achieved.

As per the terms of the stated investment agreements, the Company and the promoters are obliged to offer an exit to the original investor through conduct of Qualified Initial Public Offering ("QIPO"). The stakeholders have unanimously in duly convened board meeting approved the extension of the date for conduct of QIPO upto 31 December, 2015.

III) The company had received notices in April 2012 dated 30 March 2012 for assessment years 2009-10 and 2010-11, from the income tax department alleging potential liability in connection with alleged failure by the Company to deduct tax at source as determined in the arbitrary order passed by the department received along with the notice. The company had filed an appeal before the CIT (Appeals) against the impugned order. The Company had further filed a stay application against the demand raised as per the said order which was pending for hearing till 31 March 2013. Subsequently the hearing took place in April 2013 and a favourable appellate order was received by the Company in June 2013. During March 2013, the Company received the orders for assessment years 2011-2012 and 2012-2013 on the same matter. Subsequently in April 2013, the Company has filed adequate reply before the appellate authority. Based on the favourable appellate order received as above, the CIT(Appeals) has passed a favourable order in August 2014 and thereby cancelled the demands raised vide assessing officer order. Meanwhile the company has received intimation of the appeal filed by the department before the ITAT for the assessment year 2009-2010 and 2010-2011 against the favourable order passed by the CIT (Appeals). The company has already filed before the Tribunal the relevant replies to substantiate the order passed by the CIT (Appeals). The ITAT has passed an order remanding the matter back to the ITO (TDS) for further investigation in light of additional points raised during the course of the ITAT hearing. The company has filed a review application against the stated order of the ITAT however the review application has been rejected by ITAT. Meanwhile the company has filed an appeal before the H'ble High Court against the order of the ITAT, the same is pending for hearing before the H'ble High Court and in view of the management no provision is considered necessary as at 30 September, 2015.

# Thyrocare Technologies Limited

## Annexure IV - Notes to Restated Standalone Summary Statements of Assets and Liabilities, Statement of Profit and Loss and Cash flows for

### 4. Contingent liabilities and capital commitments, as restated (Continued)

#### Note E : Financial period ended September 30, 2015 (Continued)

IV) The company had received intimations in September 2014 for the period from 03/2012 to 03/2014, from the provident fund office for alleged default in remittances in respect of provident fund and thereby an inquiry u/s 7A of the Act. The company had appeared before the Regional PF Commissioner in pursuance to the report submitted by the adjudicating officer and explained the facts of the case. However, The PF Commissioner has passed an order raising a demand of Rs. 52,27,345/-, rejecting the justification offered by the company on certain alleged non compliances determined by the Enforcement Officer. The company has filed a Review Application before PF Commissioner seeking review of certain findings which were entered into on the basis of the mentioned case laws and mistakes apparent from the records. The Regional PF Commissioner has rejected the Review Application citing reason mentioned therein. The company has filed an appeal before the Tribunal and requested for condonation of delay and stay of the demand raised by the Regional PF commissioner. The appeal is pending for hearing before the Tribunal and in view of the management no provision is considered necessary as at 30 September, 2015.

VI) The company had received notices and bills from Navi Mumbai Municipal Corporation (NMMC) raised on the original owner of the corporate office premises, for outstanding property tax, with retrospective changes in the amount outstanding for the corporate office premises code. The company has in pursuance to the same replied to NMMC seeking clarification to the retrospective changes in the amount of the property tax rates and thereby the demands raised. The company has not received any reply from NMMC for the letters filed from time to time and a writ petition has been filed before the H'ble High Court seeking intervention against the arbitrary assessment of the property tax with retrospective effect for the stated premises code. While the writ petition is pending for hearing before the H'ble High Court, there is still a demand of Rs. 55.06 million shown outstanding against the property code. The company has provided for reasonable property tax due for premises on the basis of the constructed area and the rates charged for the adjucent plot towards property tax. Thereby a claim of Rs. 53.33 million as on 30 September, 2015, outstanding as per NMMC for the corporate office premises code has not been acknowledged as debts in the books of the company.

### 5. Gratuity, as restated

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on completion of service/leaving the Company, at 15 days salary (last drawn basic salary and dearness allowance) for each completed year of service or part thereof in excess of six months. These benefits are unfunded.

| Particulars                                        | For the six months ended                    |                                             | For the years ended                         |                                    |                                    |                                    |
|----------------------------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|                                                    | 30 September 2015                           | 31 March 2015                               | 31 March 2014                               | 31 March 2013                      | 31 March 2012                      | 31 March 2011                      |
| <b>Obligations at beginning of the year/period</b> | 9.13                                        | 6.33                                        | 5.11                                        | 4.91                               | 4.11                               | 3.22                               |
| Current service cost                               | 1.19                                        | 1.02                                        | 0.50                                        | 0.65                               | 0.63                               | 0.92                               |
| Interest cost on defined benefit obligation        | 0.28                                        | 0.40                                        | 0.24                                        | 0.27                               | 0.20                               | -                                  |
| Benefits paid                                      | (0.23)                                      | -                                           | (0.19)                                      | (0.05)                             | (0.02)                             | (0.04)                             |
| Net actuarial (gain) / loss for the year/period    | (0.40)                                      | 1.38                                        | 0.67                                        | (0.67)                             | 0.00                               | -                                  |
| <b>Obligations at end of the year/period</b>       | <b>9.97</b>                                 | <b>9.13</b>                                 | <b>6.33</b>                                 | <b>5.11</b>                        | <b>4.91</b>                        | <b>4.11</b>                        |
| <b>Gratuity cost for the year/period</b>           |                                             |                                             |                                             |                                    |                                    |                                    |
| Current service cost                               | 1.19                                        | 1.02                                        | 0.50                                        | 0.65                               | 0.63                               | 0.92                               |
| Interest cost on defined benefit obligation        | 0.28                                        | 0.40                                        | 0.24                                        | 0.27                               | 0.20                               | -                                  |
| Net actuarial (gain) / loss for the year/period    | (0.40)                                      | 1.38                                        | 0.67                                        | (0.67)                             | 0.00                               | -                                  |
| <b>Net gratuity cost</b>                           | <b>1.07</b>                                 | <b>2.80</b>                                 | <b>1.41</b>                                 | <b>0.25</b>                        | <b>0.82</b>                        | <b>0.92</b>                        |
| <b>Assumptions</b>                                 |                                             |                                             |                                             |                                    |                                    |                                    |
| Discount rate                                      | 7.92%                                       | 7.92%                                       | 9.35%                                       | 7.85%                              | 8.45%                              | 8.05%                              |
| Salary increase                                    | 10%                                         | 10%                                         | 10%                                         | 10% for first 3 years & thereafter | 10% for first 4 years & thereafter | 10% for first 5 years & thereafter |
| Attrition rate                                     | For service of 2 years and below - 25% p.a  | For service of 2 years and below - 25% p.a  | For service of 2 years and below - 25% p.a  | Age 21-30 years · 35%              | Age 21-30 years · 35%              | Age 21-30 years · 35%              |
|                                                    | For service of 3 years to 4 years - 10% p.a | For service of 3 years to 4 years - 10% p.a | For service of 3 years to 4 years - 10% p.a | Age 31-34 years · 25%              | Age 31-34 years · 25%              | Age 31-34 years · 25%              |
|                                                    | For service of 5 years and above - 2% p.a   | For service of 5 years and above - 2% p.a   | For service of 5 years and above - 2% p.a   | Age 35-40 years · 20%              | Age 35-40 years · 20%              | Age 35-40 years · 20%              |
|                                                    |                                             |                                             |                                             | Age 41-44 years · 15%              | Age 41-44 years · 15%              | Age 41-44 years · 15%              |
|                                                    |                                             |                                             |                                             | Age 45-49 years · 10%              | Age 45-49 years · 10%              | Age 45-49 years · 10%              |
|                                                    |                                             |                                             |                                             | Age 50-64 years · 5%               | Age 50-64 years · 5%               | Age 50-64 years · 5%               |
| Retirement age                                     | 58                                          | 58                                          | 58                                          | 65                                 | 65                                 | 65                                 |



# Thyrocare Technologies Limited

## Annexure IV - Notes to Restated Standalone Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and years ended 31 March 2015, 2014, 2013, 2012 and 2011 (*Continued*)

### 6. Segment reporting

The Company has identified business segments as its primary segment. The Company recognizes its diagnostic testing services activity and manufacturing of radiopharmaceuticals activity as its primary business segment. Its operations predominantly consist of laboratory testing services to its customers and the Company proposes to commercially manufacture and sell the radioactive pharmaceuticals only from the next financial year, accordingly, income from testing services comprises the major portion of primary segmental information set out in these financial statements. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst the segment are not allocated to the respective business segments. The Company operates from its only centralised laboratory in India and therefore does not have much of its operations in economic environments with different risks and returns, hence considering its operation from single geographical segment, the company has not recognised geographical segment as its secondary segment for reporting. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard 17 on Segment Reporting as notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013.

(Rs. in million)

| Particulars                             | For the six months ended | For the years ended |                 |                 |               |               |
|-----------------------------------------|--------------------------|---------------------|-----------------|-----------------|---------------|---------------|
|                                         | 30 September 2015        | 31 March 2015       | 31 March 2014   | 31 March 2013   | 31 March 2012 | 31 March 2011 |
| <b>Revenues</b>                         |                          |                     |                 |                 |               |               |
| <b>Total revenue</b>                    |                          |                     |                 |                 |               |               |
| Diagnostic Testing Services             | 1,090.05                 | 1,680.88            | 1,418.97        | 1,270.01        | -             | -             |
| Imaging Services                        | -                        | -                   | -               | -               | -             | -             |
| Manufacturing of Radiopharmaceuticals   | -                        | 22.35               | -               | -               | -             | -             |
| Others                                  | 54.09                    | 97.54               | 80.82           | 72.60           | -             | -             |
| <b>Segment revenue</b>                  | <b>1,144.14</b>          | <b>1,800.76</b>     | <b>1,499.78</b> | <b>1,342.61</b> | -             | -             |
| <b>Results</b>                          |                          |                     |                 |                 |               |               |
| Diagnostic Testing Services             | 446.06                   | 664.56              | 654.69          | 623.95          | -             | -             |
| Imaging Services                        | -                        | -                   | -               | -               | -             | -             |
| Manufacturing of Radiopharmaceuticals   | -                        | (9.14)              | (4.39)          | -               | -             | -             |
| Others                                  | 20.65                    | 31.86               | 17.82           | 13.43           | -             | -             |
| <b>Segment result</b>                   | <b>466.71</b>            | <b>687.27</b>       | <b>668.11</b>   | <b>637.38</b>   | -             | -             |
| Unallocable expenditure                 | (32.53)                  | (61.51)             | (44.93)         | (35.88)         | -             | -             |
| Operating Income                        | 17.63                    | 62.75               | 55.61           | (70.00)         | -             | -             |
| Other Income                            | 5.54                     | 27.70               | 10.13           | 127.25          | -             | -             |
| Taxation                                | (152.46)                 | (231.69)            | (227.40)        | (210.55)        | -             | -             |
| <b>Net profit / (loss), as restated</b> | <b>304.89</b>            | <b>484.52</b>       | <b>461.53</b>   | <b>448.20</b>   | -             | -             |
| <b>Segment assets</b>                   |                          |                     |                 |                 |               |               |
| Diagnostic Testing Services             | 1,678.24                 | 1,296.72            | 1,101.34        | 1,040.02        | -             | -             |
| Imaging Services                        | -                        | -                   | -               | -               | -             | -             |
| Manufacturing of Radiopharmaceuticals   | -                        | -                   | 104.36          | 95.20           | -             | -             |
| Others                                  | 10.15                    | 14.16               | 13.82           | 13.12           | -             | -             |
| Unallocable assets                      | 1,394.09                 | 1,632.81            | 1,237.73        | 816.99          | -             | -             |
| <b>Total assets</b>                     | <b>3,082.48</b>          | <b>2,943.68</b>     | <b>2,457.25</b> | <b>1,965.32</b> | -             | -             |
| <b>Segment liabilities</b>              |                          |                     |                 |                 |               |               |
| Diagnostic Testing Services             | 176.22                   | 140.03              | 131.95          | 104.94          | -             | -             |
| Imaging Services                        | -                        | -                   | -               | -               | -             | -             |
| Manufacturing of Radiopharmaceuticals   | -                        | -                   | 2.38            | 1.61            | -             | -             |
| Others                                  | 5.95                     | 4.64                | 3.86            | 0.20            | -             | -             |
| Unallocable liabilities                 | 254.76                   | 9.84                | 256.48          | 257.52          | -             | -             |
| <b>Total liabilities</b>                | <b>436.94</b>            | <b>154.52</b>       | <b>394.68</b>   | <b>364.27</b>   | -             | -             |
| <b>Capital expenditure</b>              |                          |                     |                 |                 |               |               |
| Diagnostic Testing Services             | 111.37                   | 108.21              | 132.77          | 598.77          | -             | -             |
| Imaging Services                        | -                        | -                   | -               | -               | -             | -             |
| Manufacturing of Radiopharmaceuticals   | -                        | 3.16                | 14.41           | 93.08           | -             | -             |
| <b>Total</b>                            | <b>111.37</b>            | <b>111.38</b>       | <b>147.18</b>   | <b>691.85</b>   | -             | -             |
| <b>Depreciation</b>                     |                          |                     |                 |                 |               |               |
| Diagnostic Testing Services             | 51.60                    | 88.82               | 60.08           | 33.15           | -             | -             |
| Imaging Services                        | -                        | -                   | -               | -               | -             | -             |
| Manufacturing of Radiopharmaceuticals   | -                        | 18.28               | 3.55            | -               | -             | -             |
| <b>Total</b>                            | <b>51.61</b>             | <b>107.10</b>       | <b>63.63</b>    | <b>33.15</b>    | -             | -             |

# Thyrocare Technologies Limited

## Annexure V

### Restated Standalone Statement of Current and Non current investments

(Rs. in million)

| Particulars                                          | As at             |               |                 |               |               |               |
|------------------------------------------------------|-------------------|---------------|-----------------|---------------|---------------|---------------|
|                                                      | 30 September 2015 | 31 March 2015 | 31 March 2014   | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| <b>Non-current investments</b>                       |                   |               |                 |               |               |               |
| <i>Non Trade, unquoted - at cost</i>                 |                   |               |                 |               |               |               |
| Investment in equity shares                          | 987.65            | 987.65        | 176.15          | 176.15        | 240.00        | 240.00        |
| <b>Current investments</b>                           |                   |               |                 |               |               |               |
| <i>Non trade, quoted - at cost</i>                   |                   |               |                 |               |               |               |
| Investments in mutual funds/ preference shares       | 392.38            | 636.95        | 1,013.92        | 596.03        | -             | -             |
| <b>Total</b>                                         | <b>392.38</b>     | <b>636.95</b> | <b>1,013.92</b> | <b>596.03</b> | <b>-</b>      | <b>-</b>      |
| Aggregate book value of quoted current investments   | 392.38            | 636.95        | 1,013.92        | 596.03        | -             | -             |
| Aggregate market value of quoted current investments | 403.00            | 644.99        | 1,080.30        | 602.09        | -             | -             |
| Aggregate book value of unquoted current investments | 987.65            | 987.65        | 176.15          | 176.15        | 240.00        | 240.00        |

#### Notes :

1) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

# Thyrocare Technologies Limited

## Annexure VA

### Restated Standalone Statement of Inventories

(Rs. in million)

| Particulars                                  | As at             |               |               |               |               |               |
|----------------------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
|                                              | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| <b>Inventories</b>                           |                   |               |               |               |               |               |
| Reagents, diagnostic material and consumable | 62.87             | 56.34         | 49.80         | 40.26         | 39.20         | 24.63         |
| Stock in trade                               | 10.12             | 14.19         | 13.15         | 12.19         | 11.77         | 15.39         |
| <b>Total</b>                                 | <b>72.99</b>      | <b>70.53</b>  | <b>62.95</b>  | <b>52.45</b>  | <b>50.97</b>  | <b>40.02</b>  |

#### Notes :

1) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

# Thyrocare Technologies Limited

## Annexure VI

### Restated Standalone Statement of Trade receivables

(Rs. in million)

| Particulars                                                                                                      | As at             |               |               |               |               |               |
|------------------------------------------------------------------------------------------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
|                                                                                                                  | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| <b>Trade receivables outstanding for a period exceeding six months from the date they became due for payment</b> |                   |               |               |               |               |               |
| - Others (Secured, considered good)                                                                              | -                 | -             | -             | -             | -             | 0.03          |
| - Others (Unsecured, considered good)                                                                            | 18.22             | 6.12          | 0.02          | 0.16          | 0.16          | -             |
| <b>Total (A)</b>                                                                                                 | <b>18.22</b>      | <b>6.12</b>   | <b>0.02</b>   | <b>0.16</b>   | <b>0.16</b>   | <b>0.03</b>   |
| <b>Other Trade receivables from</b>                                                                              |                   |               |               |               |               |               |
| - Others (Secured, considered good)                                                                              | 21.32             | 18.40         | 49.04         | 33.17         | 25.15         | 19.14         |
| - Others (Unsecured, considered good)                                                                            | 18.77             | 21.92         | -             | -             | 9.02          | 10.40         |
| <b>Total (B)</b>                                                                                                 | <b>40.09</b>      | <b>40.32</b>  | <b>49.04</b>  | <b>33.17</b>  | <b>34.17</b>  | <b>29.54</b>  |
| <b>TOTAL (A+B)</b>                                                                                               | <b>58.31</b>      | <b>46.44</b>  | <b>49.06</b>  | <b>33.33</b>  | <b>34.33</b>  | <b>29.57</b>  |

#### Notes :

1) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

2) Following are the amounts due from the Directors/ Promoters/ Promoter Group Companies/ Group Entities/ Relatives of Directors/ Holding Company/ Subsidiary Companies/ Fellow Subsidiaries.

| Particulars                                                | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
|------------------------------------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
| Thyrocare Gulf Laboratories WLL                            | 24.60             | 18.20         | 1.46          | -             | -             | -             |
| Thyrocare International Holding Company Limited, Mauritius | 0.03              | 0.03          | 1.06          | -             | -             | -             |

3) List of persons/ entities classified as 'Promoter', 'Promoter Group Companies' and 'Group Entities' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

# Thyrocare Technologies Limited

## Annexure VII

### Restated Standalone Statement of Cash and Bank balances

(Rs. in million)

| Particulars                                                                                                      | As at             |               |               |               |               |               |
|------------------------------------------------------------------------------------------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
|                                                                                                                  | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| <b>Cash and bank balances</b>                                                                                    |                   |               |               |               |               |               |
| <i>Cash and cash equivalents</i>                                                                                 |                   |               |               |               |               |               |
| Cash on hand                                                                                                     | 1.10              | -             | -             | -             | -             | 0.21          |
| Balances with banks                                                                                              |                   |               |               |               |               |               |
| in current accounts                                                                                              | 136.55            | 42.85         | 114.20        | 20.93         | 86.31         | 49.24         |
| in deposit accounts (with original maturity of 3 months or less)                                                 | -                 | -             | -             | 150.00        | 500.00        | 350.96        |
|                                                                                                                  | 137.65            | 42.85         | 114.20        | 170.93        | 586.31        | 400.41        |
|                                                                                                                  | -                 | -             | -             | -             | -             | -             |
| <i>Other bank balances</i>                                                                                       |                   |               |               |               |               |               |
| in deposit accounts (with original maturity period exceeding 3 months but maturing within 12 months of year end) | 0.50              | -             | 4.82          | 4.37          | 4.00          | -             |
| 30 September 2015 includes Rs. 0.50 million against bank guarantee.                                              | 0.50              | -             | 4.82          | 4.37          | 4.00          | -             |
|                                                                                                                  | 138.15            | 42.85         | 119.02        | 175.30        | 590.31        | 400.41        |

#### Notes :

1) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.



# Thyrocare Technologies Limited

## Annexure VIII

### Restated Standalone Statement of Long-term and Short-term loans and advances and Other Non-current and Current assets

(Rs. in million)

| Particulars                                                                                                                                                                                                   | As at             |               |               |               |               |               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
|                                                                                                                                                                                                               | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| <b>Long-term loans and advances</b> ( <i>Unsecured, considered good</i> )                                                                                                                                     |                   |               |               |               |               |               |
| Capital advances                                                                                                                                                                                              | 3.39              | 1.86          | 4.75          | 6.13          | 10.00         | 24.30         |
| Security deposits                                                                                                                                                                                             | 13.06             | 8.91          | 3.64          | 3.00          | 0.93          | 0.72          |
| Loans and advances to employees                                                                                                                                                                               | 0.10              | 0.15          | -             | -             | 0.07          | 0.12          |
| Advance income tax (net of provision for tax)                                                                                                                                                                 | 34.51             | 43.08         | 47.66         | 44.81         | 22.93         | 19.41         |
| Loans and advances to employees benefit trust                                                                                                                                                                 | 0.34              | 0.34          | -             | -             | -             | -             |
| <b>Total (A)</b>                                                                                                                                                                                              | <b>51.40</b>      | <b>54.34</b>  | <b>56.05</b>  | <b>53.94</b>  | <b>33.93</b>  | <b>44.55</b>  |
| <b>Other non-current assets (B)</b>                                                                                                                                                                           |                   |               |               |               |               |               |
|                                                                                                                                                                                                               | -                 | -             | -             | -             | -             | -             |
| <b>Short-term loans and advances</b>                                                                                                                                                                          |                   |               |               |               |               |               |
| Loans and advances to employees                                                                                                                                                                               | 0.16              | 0.13          | -             | 0.12          | 0.40          | 0.39          |
| Security deposits                                                                                                                                                                                             | 0.25              | 0.28          | 0.31          | 0.22          | 0.16          | 0.21          |
| Advances to related parties                                                                                                                                                                                   | -                 | -             | 14.86         | -             | 165.42        | -             |
| Prepaid expenses                                                                                                                                                                                              | 9.14              | 8.98          | 2.82          | 6.28          | 0.66          | -             |
| Advances for supply of goods and services*                                                                                                                                                                    | 121.11            | 77.42         | 24.56         | 15.79         | 52.42         | 78.01         |
| <b>Total (C)</b>                                                                                                                                                                                              | <b>130.66</b>     | <b>86.81</b>  | <b>42.55</b>  | <b>22.41</b>  | <b>219.06</b> | <b>78.61</b>  |
| *Includes Rs. 21.38 million (31 March 2015: Rs. 14.64 million) towards IPO related expenses to be recovered from the selling shareholders offering their shares sale in the proposed initial public offering. |                   |               |               |               |               |               |
| <b>Other current assets</b>                                                                                                                                                                                   |                   |               |               |               |               |               |
| Interest accrued                                                                                                                                                                                              | 0.01              | -             | -             | 1.00          | 3.14          | 2.15          |
| Receivable from sale of current investments                                                                                                                                                                   | 188.49            | -             | -             | -             | -             | -             |
| Amount recoverable from related party                                                                                                                                                                         | 108.81            | 106.00        | -             | -             | -             | -             |
| Insurance claim receivable                                                                                                                                                                                    | -                 | -             | -             | -             | -             | 8.91          |
| <b>Total (D)</b>                                                                                                                                                                                              | <b>297.31</b>     | <b>106.00</b> | <b>-</b>      | <b>1.00</b>   | <b>3.14</b>   | <b>11.06</b>  |
| <b>Total (A+B+C+D)</b>                                                                                                                                                                                        | <b>479.38</b>     | <b>247.15</b> | <b>98.60</b>  | <b>77.36</b>  | <b>256.13</b> | <b>134.22</b> |

#### Notes :

1) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

2) Following are the amounts due from the Directors/ Promoters/ Promoter Group Companies/ Group Entities/ Relatives of Directors/ Holding Company/ Subsidiary Companies/ Fellow Subsidiaries.

| Particulars                 | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
|-----------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
| Nueclear Healthcare Limited | 110.67            | 107.86        | 14.86         | -             | 165.42        | -             |

3) List of persons/ entities classified as 'Promoter', 'Promoter Group Companies' and 'Group Entities' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Thyrocare Technologies Limited

Annexure IX

Restated Standalone Statement of long-term and short-term borrowings

(Rs. in million)

| Particulars                         | As at             |               |               |               |               |               |
|-------------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
|                                     | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| Long term borrowings                |                   |               |               |               |               |               |
| - Compulsory convertible debentures | -                 | -             | 250.00        | 250.00        | 250.00        | 250.00        |
|                                     | -                 | -             | 250.00        | 250.00        | 250.00        | 250.00        |

Notes :  
1) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

## Thyrocare Technologies Limited

### Annexure IX(A) (Continued)

#### Restated Standalone Statement of long-term borrowings outstanding as at March 31, 2011, March 31, 2012, March 31, 2013 and March 31, 2014

| Sr. No. | Name of the lender     | Nature of borrowing | Amount sanctioned | Amount outstanding | Rate of Interest | Date of sanction | Repayment terms                                                                                                                                                                                                                                     | Prepayment charges                                                                                    | Default charges                                                                                       | Security                                                                                                                                      |
|---------|------------------------|---------------------|-------------------|--------------------|------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | AGALIA PRIVATE LIMITED | Zero Coupon CCD     | 250,000,000       | 250,000,000        | 0.00%            | 24-Dec-10        | The CCDs are convertible into 4 equity shares per CCD held, on or before 23rd December, 2014 as per the terms of the investment agreements and extension thereof agreed by the lender over the maturity prescribed as per the investment agreement. | The company is obliged to repay atleast 18% IRR on the amount sanctioned to the lender on settlement. | The company is obliged to repay atleast 18% IRR on the amount sanctioned to the lender on settlement. | The CCDs are unsecured however there is commitment to the company and the promoters to the lender as to the returns on the amount sanctioned. |

#### Notes :

- 1) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.



# Thyrocare Technologies Limited

## Annexure X

### Restated Standalone Statement of Current and Non-current liabilities and Long-term and Short-term provisions

| Particulars                                                                            | As at             |               |               |               |               |               |
|----------------------------------------------------------------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
|                                                                                        | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| <b>Non-current liabilities</b>                                                         |                   |               |               |               |               |               |
| <b>Long-term provisions</b>                                                            |                   |               |               |               |               |               |
| Provision for employee benefits:                                                       |                   |               |               |               |               |               |
| Provision for compensated absences                                                     | 21.75             | 23.89         | 9.12          | 5.46          | 4.70          | 2.97          |
| Provision for gratuity                                                                 | 9.87              | 9.04          | 6.26          | 4.32          | 4.15          | 3.56          |
| <b>Total (A)</b>                                                                       | <b>31.62</b>      | <b>32.93</b>  | <b>15.39</b>  | <b>9.77</b>   | <b>8.85</b>   | <b>6.53</b>   |
| <b>Other long term liabilities</b>                                                     |                   |               |               |               |               |               |
| Trade/ Security deposits received                                                      | 52.88             | 55.64         | 59.12         | 64.09         | 52.81         | 32.34         |
| Deferred rent                                                                          | 0.40              | 0.34          | -             | -             | -             | -             |
| <b>Total (B)</b>                                                                       | <b>53.28</b>      | <b>55.98</b>  | <b>59.12</b>  | <b>64.09</b>  | <b>52.81</b>  | <b>32.34</b>  |
| <b>Current liabilities</b>                                                             |                   |               |               |               |               |               |
| <b>Trade payables</b>                                                                  |                   |               |               |               |               |               |
| Total outstanding dues of micro enterprises and small enterprises                      | 0.31              | -             | -             | 1.12          | -             | 2.16          |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 27.40             | 8.20          | 15.14         | 0.94          | 5.56          | 33.23         |
| <b>Total (C)</b>                                                                       | <b>27.71</b>      | <b>8.20</b>   | <b>15.14</b>  | <b>2.06</b>   | <b>5.56</b>   | <b>35.39</b>  |
| <b>Other current liabilities</b>                                                       |                   |               |               |               |               |               |
| <b>Other payables:</b>                                                                 |                   |               |               |               |               |               |
| Creditors for capital goods                                                            | 7.42              | 6.84          | 10.46         | 3.58          | -             | 0.25          |
| Employees dues                                                                         | 14.11             | 7.21          | 2.38          | 2.20          | 1.58          | 1.29          |
| Statutory dues                                                                         | 7.05              | 6.19          | 6.11          | 3.60          | 3.85          | 2.94          |
| Trade/Security deposits received                                                       | 5.05              | 3.40          | 3.05          | 1.11          | 2.12          | 0.75          |
| Advances received from customers                                                       | 8.59              | 12.37         | 18.25         | 15.49         | 10.38         | 1.70          |
| Expenses payable                                                                       | 19.20             | 4.64          | 4.39          | 1.01          | 1.01          | 0.30          |
| Deferred rent                                                                          | 0.23              | 0.23          | -             | -             | -             | -             |
| <b>Total (D)</b>                                                                       | <b>61.65</b>      | <b>40.88</b>  | <b>44.64</b>  | <b>26.99</b>  | <b>18.94</b>  | <b>7.23</b>   |
| <b>Short-term provisions</b>                                                           |                   |               |               |               |               |               |
| Provision for employee benefits :-                                                     |                   |               |               |               |               |               |
| - Provision for bonus                                                                  | 5.24              | 3.99          | 2.74          | 2.34          | 2.13          | 1.61          |
| - Provision for compensated absences                                                   | 1.80              | 1.87          | 1.11          | 0.72          | 0.53          | 0.39          |
| - Provision for gratuity                                                               | 0.10              | 0.09          | 0.06          | 0.79          | 0.76          | 0.62          |
| - Provision for refundable staff security deposits                                     | 0.79              | 0.74          | -             | -             | -             | -             |
| <b>Other provisions :</b>                                                              |                   |               |               |               |               |               |
| Provision for interim dividend                                                         | 189.51            | -             | -             | -             | -             | -             |
| Provision for dividend distribution tax                                                | 38.58             | -             | -             | -             | -             | -             |
| Provision for current tax (net of advance tax and tax deducted at source)              | 26.68             | 9.84          | 0.39          | 6.80          | 6.43          | -             |
| <b>Total (E)</b>                                                                       | <b>262.70</b>     | <b>16.53</b>  | <b>4.30</b>   | <b>10.65</b>  | <b>9.85</b>   | <b>2.62</b>   |
| <b>TOTAL (A+B+C+D+E)</b>                                                               | <b>436.95</b>     | <b>154.51</b> | <b>138.59</b> | <b>113.57</b> | <b>96.01</b>  | <b>84.10</b>  |

#### Notes :

1) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

2) Following are the amounts due to the Directors/ Promoters/ Promoter Group Companies/ Group Entities/ Relatives of Directors/ Holding Company/ Subsidiary Companies/ Fellow Subsidiaries.

| Particulars                                           | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
|-------------------------------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
| Nuclear Healthcare Limited                            | 12.13             | -             | -             | -             | -             | -             |
| Dr. A Velumani                                        | 42.75             | -             | -             | -             | -             | -             |
| A Sundararaju                                         | 1.16              | -             | -             | -             | -             | -             |
| Sumathi Velumani                                      | 2.21              | -             | -             | -             | -             | -             |
| Amruta Velumani                                       | 2.81              | -             | -             | -             | -             | -             |
| Anand Velumani                                        | 3.03              | -             | -             | -             | -             | -             |
| Dr A Velumani HUF                                     | 3.35              | -             | -             | -             | -             | -             |
| A Sundararaju HUF                                     | 9.74              | -             | -             | -             | -             | -             |
| P Arokiaswamy                                         | 0.00*             | -             | -             | -             | -             | -             |
| A Sayamal                                             | 0.00*             | -             | -             | -             | -             | -             |
| Sumathi Infra Projects Private Limited                | 5.91              | -             | -             | -             | -             | -             |
| Mahima Advertising Private Limited                    | 4.73              | -             | -             | -             | -             | -             |
| Thyrocare Properties & Infrastructure Private Limited | 19.57             | -             | -             | -             | -             | -             |
| Thyrocare Publications Private Limited                | 24.50             | -             | -             | -             | -             | -             |

3) List of persons/ entities classified as 'Promoter', 'Promoter Group Companies' and 'Group Entities' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

\* Amount less than 0.01 million

# Thyrocare Technologies Limited

## Annexure XI

### Restated Standalone Statement of Share Capital

(Rs. in million)

| Particulars                                                               | As at                |                      |                      |                      |                      |                      |
|---------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                           | 30 September 2015    | 31 March 2015        | 31 March 2014        | 31 March 2013        | 31 March 2012        | 31 March 2011        |
| <b>Equity shares of Rs 10 each</b>                                        |                      |                      |                      |                      |                      |                      |
| Authorized share capital                                                  | 1,000.00             | 1,000.00             | 150.00               | 120.00               | 120.00               | 120.00               |
| Issued, subscribed and fully paid-up                                      | <b>505.36</b>        | <b>505.36</b>        | <b>109.18</b>        | <b>109.18</b>        | <b>108.09</b>        | <b>108.09</b>        |
| <b>Reconciliation of number of shares :</b>                               |                      |                      |                      |                      |                      |                      |
| Number of shares at the beginning of the period/year                      | 50,535,971           | 10,917,519           | 10,917,519           | 10,809,425           | 10,809,425           | 10,809,425           |
| Add: Shares issued during the period/year                                 |                      |                      |                      |                      |                      |                      |
| for cash                                                                  | -                    | -                    | -                    | 108,094              | -                    | -                    |
| on conversion of compulsorily convertible debentures (CCDs)               | -                    | 1,510,000            | -                    | -                    | -                    | -                    |
| to employees trust as per terms of employees stock purchase scheme (ESPS) | -                    | 33,650               | -                    | -                    | -                    | -                    |
| on issue of bonus equity shares                                           | -                    | 37,383,507           | -                    | -                    | -                    | -                    |
| on equity share swap                                                      | -                    | 691,295              | -                    | -                    | -                    | -                    |
| Less : Fully paid up shares bought back                                   | -                    | -                    | -                    | -                    | -                    | -                    |
| Number of shares at the closing of the year                               | <b>50,535,971.00</b> | <b>50,535,971.00</b> | <b>10,917,519.00</b> | <b>10,917,519.00</b> | <b>10,809,425.00</b> | <b>10,809,425.00</b> |

#### Notes :

1) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

# Thyrocare Technologies Limited

## Annexure XII

### Restated Standalone Statement of Reserves and surplus

(Rs. in million)

| Particulars                                                             | As at             |                 |                 |                 |               |               |
|-------------------------------------------------------------------------|-------------------|-----------------|-----------------|-----------------|---------------|---------------|
|                                                                         | 30 September 2015 | 31 March 2015   | 31 March 2014   | 31 March 2013   | 31 March 2012 | 31 March 2011 |
| <b>General reserve (A)</b>                                              |                   |                 |                 |                 |               |               |
| Balance as per last balance sheet                                       | 91.67             | 91.67           | 91.67           | 91.67           | 91.67         | 91.67         |
| <b>Total (A)</b>                                                        | <b>91.67</b>      | <b>91.67</b>    | <b>91.67</b>    | <b>91.67</b>    | <b>91.67</b>  | <b>91.67</b>  |
| <b>Shares premium account (B)</b>                                       |                   |                 |                 |                 |               |               |
| Opening balance                                                         | 289.57            | 220.89          | 220.89          | 213.86          | 213.86        | 213.86        |
| Add: Received during the year                                           | -                 | 439.49          | -               | 7.03            | -             | -             |
| Less: Adjusted during the period for issuance of bonus shares           | -                 | (370.81)        | -               | -               | -             | -             |
| <b>Total (B)</b>                                                        | <b>289.57</b>     | <b>289.57</b>   | <b>220.89</b>   | <b>220.89</b>   | <b>213.86</b> | <b>213.86</b> |
| <b>Capital reserve (C)</b>                                              |                   |                 |                 |                 |               |               |
| Opening balance                                                         | 1.06              | 1.06            | 1.06            | 1.06            | 1.06          | 1.06          |
| Add: Received during the year                                           | -                 | -               | -               | -               | -             | -             |
| <b>Total (C)</b>                                                        | <b>1.06</b>       | <b>1.06</b>     | <b>1.06</b>     | <b>1.06</b>     | <b>1.06</b>   | <b>1.06</b>   |
| <b>Capital redemption reserve (D)</b>                                   |                   |                 |                 |                 |               |               |
| Opening balance                                                         | -                 | 3.03            | 3.03            | 3.03            | 3.03          | 3.03          |
| Less : Adjusted during the period for issuance of bonus shares          | -                 | (3.03)          | -               | -               | -             | -             |
| <b>Total (D)</b>                                                        | <b>-</b>          | <b>-</b>        | <b>3.03</b>     | <b>3.03</b>     | <b>3.03</b>   | <b>3.03</b>   |
| <b>Employee stock option outstanding account (E)</b>                    |                   |                 |                 |                 |               |               |
| Opening balance                                                         | 8.18              | -               | -               | -               | -             | -             |
| Add : Employee compensation expense for the period/ year                | 7.64              | 8.18            | -               | -               | -             | -             |
| <b>Total (E)</b>                                                        | <b>15.82</b>      | <b>8.18</b>     | <b>-</b>        | <b>-</b>        | <b>-</b>      | <b>-</b>      |
| <b>Surplus: statement of profit and loss (F)</b>                        |                   |                 |                 |                 |               |               |
| Opening balance                                                         | 1,893.35          | 1,636.80        | 1,175.24        | 607.05          | 257.62        | 9.37          |
| Add: Net profit after tax transferred from Statement of profit and loss | 304.87            | 484.50          | 461.56          | 568.19          | 349.43        | 248.25        |
| <b>Amount available for appropriation</b>                               | <b>2,198.22</b>   | <b>2,121.30</b> | <b>1,636.80</b> | <b>1,175.24</b> | <b>607.05</b> | <b>257.62</b> |
| Adjustment due to change in useful life of fixed assets                 | -                 | 5.79            | -               | -               | -             | -             |
| Less: Interim dividend                                                  | 379.02            | 189.89          | -               | -               | -             | -             |
| Less: Dividend distribution tax                                         | 77.16             | 32.27           | -               | -               | -             | -             |
| <b>Total (F)</b>                                                        | <b>1,742.02</b>   | <b>1,893.35</b> | <b>1,636.80</b> | <b>1,175.24</b> | <b>607.05</b> | <b>257.62</b> |
| <b>Total (A+B+C+D+E+F)</b>                                              | <b>2,140.14</b>   | <b>2,283.83</b> | <b>1,953.45</b> | <b>1,491.89</b> | <b>916.67</b> | <b>567.24</b> |

#### Notes :

1) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

# Thyrocare Technologies Limited

## Annexure XIII

### Restated Standalone Statement of Revenue from operations

(Rs. in million)

| Particulars                              | For the six months ended | For the years ended |                 |                 |                 |               |
|------------------------------------------|--------------------------|---------------------|-----------------|-----------------|-----------------|---------------|
|                                          | 30 September 2015        | 31 March 2015       | 31 March 2014   | 31 March 2013   | 31 March 2012   | 31 March 2011 |
| Sale of products (Refer Note (i) below)  | 54.09                    | 119.89              | 80.82           | 72.60           | 68.57           | 66.87         |
| Sale of services (Refer Note (ii) below) | 1,047.78                 | 1,597.51            | 1,381.99        | 1,234.91        | 997.35          | 693.78        |
| <b>Total</b>                             | <b>1,101.87</b>          | <b>1,717.40</b>     | <b>1,462.81</b> | <b>1,307.51</b> | <b>1,065.92</b> | <b>760.65</b> |
| Other operating revenue                  | 42.27                    | 83.36               | 36.97           | 35.10           | 24.84           | 18.00         |
|                                          | <b>1,144.14</b>          | <b>1,800.76</b>     | <b>1,499.78</b> | <b>1,342.61</b> | <b>1,090.76</b> | <b>778.65</b> |
| <b>Note:</b>                             |                          |                     |                 |                 |                 |               |
| (i) Sale of products comprises :         |                          |                     |                 |                 |                 |               |
| <u>Traded goods</u>                      |                          |                     |                 |                 |                 |               |
| Glucose strips/ Gluco meter              | 13.69                    | 27.06               | 25.96           | 23.23           | 25.29           | 23.30         |
| Vials, tubes and kit                     | 17.03                    | 26.66               | 18.79           | 16.07           | 16.04           | 7.68          |
| Radioactive pharmaceutical (FDG)         | -                        | 22.35               | -               | -               | -               | -             |
| Iodised salt                             | -                        | -                   | -               | 5.08            | 9.26            | 17.62         |
| Others                                   | 23.37                    | 43.82               | 36.07           | 28.22           | 17.98           | 18.27         |
| <b>Total</b>                             | <b>54.09</b>             | <b>119.89</b>       | <b>80.82</b>    | <b>72.60</b>    | <b>68.57</b>    | <b>66.87</b>  |
| (ii) Sale of services comprises :        |                          |                     |                 |                 |                 |               |
| Diagnostic/ Imaging Services             | 1,047.78                 | 1,597.51            | 1,381.99        | 1,234.91        | 997.35          | 693.78        |
| <b>Total</b>                             | <b>1,047.78</b>          | <b>1,597.51</b>     | <b>1,381.99</b> | <b>1,234.91</b> | <b>997.35</b>   | <b>693.78</b> |

#### Notes :

1) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.



# Thyrocare Technologies Limited

## Annexure XIV

### Restated Standalone Statement of Other Income

(Rs. in million)

| Particulars                                          | For the six months ended |               | For the years ended |               |               |               | Related/ not related to business activity |
|------------------------------------------------------|--------------------------|---------------|---------------------|---------------|---------------|---------------|-------------------------------------------|
|                                                      | 30 September 2015        | 31 March 2015 | 31 March 2014       | 31 March 2013 | 31 March 2012 | 31 March 2011 |                                           |
| Other income                                         | 26.18                    | 69.70         | 65.77               | 57.25         | 51.09         | 33.42         |                                           |
| <b>Sources of other income</b>                       |                          |               |                     |               |               |               |                                           |
| <b>Recurring</b>                                     |                          |               |                     |               |               |               |                                           |
| Interest income                                      | 0.01                     | 3.30          | 6.98                | 37.83         | 44.24         | 18.44         | Not related                               |
| Technical assistance/ Trademark assignment fees      | 0.66                     | 5.83          | 2.52                | -             | -             | -             | Not related                               |
| Dividend income from Mutual Funds                    | 9.33                     | 51.21         | 27.16               | 4.45          | -             | -             | Not related                               |
| Gains on sale of current investment (net)            | 5.54                     | 6.93          | 10.13               | 7.25          | -             | -             | Not related                               |
| <b>Non-recurring</b>                                 |                          |               |                     |               |               |               |                                           |
| Excess provision written back                        | 2.09                     | -             | -                   | -             | -             | 1.50          | Not related                               |
| Profit on sale of fixed assets                       | 0.44                     | -             | 0.42                | 0.40          | -             | 5.78          | Not related                               |
| Net gain on account of foreign exchange fluctuations | 0.87                     | -             | -                   | -             | -             | -             | Not related                               |
| Miscellaneous income                                 | 7.23                     | 2.42          | 18.55               | 7.32          | 6.86          | 7.71          | Not related                               |
| <b>Total</b>                                         | <b>26.18</b>             | <b>69.70</b>  | <b>65.77</b>        | <b>57.25</b>  | <b>51.09</b>  | <b>33.42</b>  |                                           |

### Note

- 1) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.
- 2) The classification of income into recurring and non-recurring is based on the current operations and business activities of the Company
- 3) All items of Other Income are from normal business activities

# Thyrocare Technologies Limited

## Annexure XV

### Restated Standalone Statement of Expenses

| Particulars                                                                             | (Rs. in million)         |               |                     |               |               |               |
|-----------------------------------------------------------------------------------------|--------------------------|---------------|---------------------|---------------|---------------|---------------|
|                                                                                         | For the six months ended |               | For the years ended |               |               |               |
|                                                                                         | 30 September 2015        | 31 March 2015 | 31 March 2014       | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| <b>Cost of materials consumed</b>                                                       |                          |               |                     |               |               |               |
| Opening stock                                                                           | 56.32                    | 49.78         | 40.25               | 39.18         | 24.60         | 14.66         |
| Add: Purchases                                                                          | 314.01                   | 493.10        | 371.63              | 297.80        | 252.58        | 197.21        |
|                                                                                         | 370.33                   | 542.88        | 411.88              | 336.98        | 277.18        | 211.87        |
| Less: Closing stock                                                                     | 62.87                    | 56.32         | 49.78               | 40.25         | 39.18         | 24.60         |
| <b>Total - Cost of material consumed</b>                                                | <b>307.46</b>            | <b>486.56</b> | <b>362.10</b>       | <b>296.73</b> | <b>238.00</b> | <b>187.27</b> |
| <b>Purchase of stock-in-trade</b>                                                       |                          |               |                     |               |               |               |
| Glucose strips/ Gluco meter                                                             | 1030                     | 25.12         | 22.07               | 24.20         | 16.94         | 19.34         |
| Iodised salt                                                                            | -                        | -             | -                   | 4.67          | 9.22          | 17.56         |
| Others                                                                                  | 19.10                    | 41.58         | 41.89               | 30.73         | 22.90         | 15.39         |
| <b>Total - Purchase of stock-in-trade</b>                                               | <b>29.40</b>             | <b>66.70</b>  | <b>63.96</b>        | <b>59.60</b>  | <b>49.06</b>  | <b>52.29</b>  |
| <b>Changes in inventories of stock-in-trade</b>                                         |                          |               |                     |               |               |               |
| <u>Inventories at the end of the year:</u>                                              |                          |               |                     |               |               |               |
| Glucose strips/ Gluco meter                                                             | 1.55                     | 3.15          | 0.77                | 1.81          | 3.15          | 4.57          |
| Others                                                                                  | 8.57                     | 11.02         | 12.37               | 10.37         | 8.61          | 10.80         |
|                                                                                         | <b>10.12</b>             | <b>14.17</b>  | <b>13.14</b>        | <b>12.18</b>  | <b>11.76</b>  | <b>15.37</b>  |
| <u>Inventories at the beginning of the year:</u>                                        |                          |               |                     |               |               |               |
| Glucose strips/ Gluco meter                                                             | 3.15                     | 0.77          | 1.81                | 3.15          | 4.57          | 0.98          |
| Others                                                                                  | 11.02                    | 12.37         | 10.37               | 8.61          | 10.80         | 9.21          |
|                                                                                         | <b>14.17</b>             | <b>13.14</b>  | <b>12.18</b>        | <b>11.76</b>  | <b>15.37</b>  | <b>10.19</b>  |
| <b>Total - Net (increase) / decrease in inventories of stock-in-trade</b>               | <b>4.05</b>              | <b>(1.03)</b> | <b>(0.96)</b>       | <b>(0.42)</b> | <b>3.61</b>   | <b>(5.18)</b> |
| <b>Employee benefits expense</b>                                                        |                          |               |                     |               |               |               |
| Salaries, wages and bonus                                                               | 81.04                    | 132.22        | 105.92              | 83.72         | 62.84         | 45.93         |
| Contributions to provident and other funds                                              | 6.51                     | 9.51          | 5.03                | 4.49          | 3.81          | 3.01          |
| Employees stock compensation expense                                                    | 7.64                     | 8.18          | -                   | -             | -             | -             |
| Gratuity                                                                                | 1.07                     | 2.80          | 1.41                | 0.25          | 0.82          | 0.99          |
| Compensated absences                                                                    | -                        | 16.54         | 6.84                | 1.20          | 1.77          | -             |
| Staff welfare expenses                                                                  | 3.71                     | 3.36          | 1.68                | 0.62          | 1.96          | 3.15          |
| <b>Total - Employee benefits expense</b>                                                | <b>99.97</b>             | <b>172.61</b> | <b>120.88</b>       | <b>90.28</b>  | <b>71.20</b>  | <b>53.08</b>  |
| <b>Other expenses</b>                                                                   |                          |               |                     |               |               |               |
| Outlab processing                                                                       | 40.03                    | 24.84         | 23.42               | 26.55         | 22.49         | 20.81         |
| Power and fuel and water                                                                | 18.21                    | 35.91         | 26.13               | 19.16         | 20.62         | 8.07          |
| Rent                                                                                    | 6.93                     | 3.95          | 0.74                | 0.56          | 0.52          | 0.40          |
| Repairs and maintenance - Buildings                                                     | 3.08                     | 7.50          | 5.13                | 5.44          | 5.54          | 4.24          |
| Repairs and maintenance - Machinery                                                     | 5.25                     | 6.66          | 6.75                | 2.58          | 2.92          | 0.73          |
| Repairs and maintenance - Others                                                        | 0.32                     | 1.59          | 1.13                | 7.61          | 1.28          | 0.39          |
| Insurance                                                                               | 0.53                     | 0.62          | 0.26                | 1.02          | 0.20          | 0.34          |
| Rates and taxes                                                                         | 8.33                     | 12.85         | 8.51                | 5.56          | 4.03          | 2.43          |
| Communication                                                                           | 2.91                     | 5.24          | 5.16                | 5.72          | 2.97          | 2.44          |
| Service charges                                                                         | 41.62                    | 63.26         | 47.70               | 71.97         | 52.04         | -             |
| Postage and courier                                                                     | 9.94                     | 17.95         | 19.10               | 15.20         | 12.78         | 6.96          |
| Travelling and conveyance                                                               | 1.49                     | 1.67          | 1.23                | 1.12          | 0.74          | 0.14          |
| Printing and stationery                                                                 | 19.63                    | 34.01         | 24.39               | 23.89         | 12.17         | 13.23         |
| Freight and forwarding                                                                  | 0.12                     | 0.18          | 0.08                | 0.06          | 0.31          | 0.59          |
| Sales incentive                                                                         | 18.34                    | 49.42         | 24.69               | 18.69         | 34.17         | 3.89          |
| Advertisement expenses                                                                  | 14.72                    | 18.38         | 29.30               | 29.43         | 35.36         | 38.10         |
| Accreditation expenses                                                                  | 1.59                     | 1.40          | 2.81                | 2.44          | 1.71          | 0.77          |
| Business promotion                                                                      | 16.58                    | 26.61         | 26.50               | 17.62         | 23.40         | 20.34         |
| Bank charges                                                                            | 2.41                     | 2.92          | 1.60                | 0.97          | 0.72          | 0.66          |
| Legal and professional                                                                  | 4.47                     | 10.06         | 7.67                | 3.20          | 3.23          | 8.40          |
| Payments to auditors (Refer Note below)                                                 | 1.04                     | 2.23          | 1.76                | 1.42          | 1.12          | 0.33          |
| Bad debts, sundry balances written off (net)                                            | -                        | -             | -                   | -             | 0.00          | 1.47          |
| Loss on fixed assets sold / scrapped / written off                                      | -                        | 0.17          | -                   | -             | 0.31          | -             |
| Provision for diminution in value of investment                                         | 1.04                     | 2.40          | -                   | -             | -             | -             |
| Loss on foreign exchange fluctuation (net)                                              | -                        | 1.37          | -                   | -             | -             | -             |
| Share issue expenses                                                                    | -                        | 8.64          | -                   | -             | -             | -             |
| Preliminary Expenses written off                                                        | -                        | -             | -                   | -             | -             | 0.06          |
| Miscellaneous expenses                                                                  | 1.93                     | 3.28          | 2.94                | 1.57          | 0.31          | 0.46          |
| <b>Total - Other expenses</b>                                                           | <b>220.51</b>            | <b>343.11</b> | <b>267.00</b>       | <b>261.78</b> | <b>238.94</b> | <b>135.25</b> |
| <b>Notes:</b>                                                                           |                          |               |                     |               |               |               |
| Payments to the auditors comprises (net of service tax input credit, where applicable): |                          |               |                     |               |               |               |
| As auditors - statutory audit                                                           | 0.94                     | 1.94          | 1.57                | 1.29          | 1.12          | 0.17          |
| As auditors - tax audit                                                                 | -                        | 0.12          | 0.11                | 0.09          | -             | 0.08          |
| Others                                                                                  | -                        | 0.06          | -                   | -             | -             | 0.08          |
| Reimbursement of expenses                                                               | 0.10                     | 0.11          | 0.07                | 0.04          | -             | -             |
| Other Services (In connection with filing of offer document with SEBI)*                 | 4.01                     | 3.47          | -                   | -             | -             | -             |
|                                                                                         | <b>5.04</b>              | <b>5.70</b>   | <b>1.76</b>         | <b>1.42</b>   | <b>1.12</b>   | <b>0.33</b>   |

#### Notes :

1) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

# Thyrocare Technologies Limited

## Annexure XVI

### Restated Standalone Statement of Dividend

(Rs. in million, except for share data)

| Particulars                           | For the six months ended | For the years ended |               |               |               |               |
|---------------------------------------|--------------------------|---------------------|---------------|---------------|---------------|---------------|
|                                       | 30 September 2015        | 31 March 2015       | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| Number of fully paid up equity shares | 50,535,971               | 50,535,971          | 10,917,519    | 10,917,519    | 10,809,425    | 10,809,425    |
| Equity share capital                  | 505.36                   | 505.36              | 109.18        | 109.18        | 108.09        | 108.09        |
| Face value (Rs.)                      | 10.00                    | 10.00               | 10.00         | 10.00         | 10.00         | 10.00         |
| Rate of interim dividend %            | 75.00%                   | 37.58%              | -             | -             | -             | -             |
| Amount of interim dividend            | 379.02                   | 189.89              | -             | -             | -             | -             |

#### Notes :

1) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.



# Thyrocare Technologies Limited

## Annexure XVII

### Restated Standalone Statement of Related Party Relationships

| Particulars                                                                                                                                                                          | Six months ended<br>30 September 2015                                                                                                                                                                                                                                                                                     | Year ended<br>31 March 2015                                                                                                                                                                                                                                                                                                                                                     | Year ended<br>31 March 2014                                                                                                 | Year ended<br>31 March 2013                                                                                                        | Year ended<br>31 March 2012                                                                                                                     | Year ended<br>31 March 2011                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key management personnel                                                                                                                                                             | Dr A Velumani<br>Mr A Sundararaju<br>Mrs Sumathi Velumani                                                                                                                                                                                                                                                                 | Dr A Velumani<br>Mr A Sundararaju<br>Mrs Sumathi Velumani                                                                                                                                                                                                                                                                                                                       | Dr A Velumani<br>Mr A Sundararaju                                                                                           | Dr A Velumani<br>Mr A Sundararaju<br>Mrs Sumathi Velumani                                                                          | Dr A Velumani<br>Mr A Sundararaju<br>Mrs Sumathi Velumani                                                                                       | Dr A Velumani<br>Mr A Sundararaju<br>Dr A Rathinaswamy<br>Mr Rajagopal JK Rao<br>Mrs Sumathi Velumani                                                                                                                                                                                                                                                               |
| Relatives of key management personnel                                                                                                                                                | Dr A Velumani HUF<br>A Sundararaju HUF                                                                                                                                                                                                                                                                                    | Dr A Velumani HUF<br>A Sundararaju HUF<br>Dr A Rathinaswamy - brother of Dr A Velumani<br><br>Mrs S Susila - sister of Dr A Velumani<br>Bhamini S (wife of A Sundararaju)                                                                                                                                                                                                       |                                                                                                                             | Mr Rajagopal JK Rao - brother of Mrs Sumathi Velumani                                                                              | Dr A Rathinaswamy - brother of Dr A Velumani<br>Mr Rajagopal JK Rao - brother of Mrs Sumathi Velumani<br>Mrs S Susila - sister of Dr A Velumani | Dr A Velumani HUF<br><br><br>Mrs S Susila - sister of Dr A Velumani<br>Mr K Selvaraj - husband of Mrs S Susila                                                                                                                                                                                                                                                      |
|                                                                                                                                                                                      | P Arokiaswamy (father of Dr A Velumani)                                                                                                                                                                                                                                                                                   | P Arokiaswamy (father of Dr A Velumani)                                                                                                                                                                                                                                                                                                                                         |                                                                                                                             |                                                                                                                                    |                                                                                                                                                 | Mrs R Vasanthamani - wife of Dr A Rathinaswamy                                                                                                                                                                                                                                                                                                                      |
|                                                                                                                                                                                      | A Sayamal (mother of Dr A Velumani)                                                                                                                                                                                                                                                                                       | A Sayamal (mother of Dr A Velumani)                                                                                                                                                                                                                                                                                                                                             |                                                                                                                             |                                                                                                                                    |                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                     |
|                                                                                                                                                                                      | Mr V Anand - son of Dr A Velumani                                                                                                                                                                                                                                                                                         | Mr V Anand - son of Dr A Velumani                                                                                                                                                                                                                                                                                                                                               |                                                                                                                             |                                                                                                                                    | Mr V Anand - son of Dr A Velumani                                                                                                               | Mr V Anand - son of Dr A Velumani                                                                                                                                                                                                                                                                                                                                   |
|                                                                                                                                                                                      | Ms V Amruta - daughter of Dr A Velumani                                                                                                                                                                                                                                                                                   | Ms V Amruta - daughter of Dr A Velumani                                                                                                                                                                                                                                                                                                                                         |                                                                                                                             |                                                                                                                                    | Ms V Amruta - daughter of Dr A Velumani                                                                                                         | Ms V Amruta - daughter of Dr A Velumani                                                                                                                                                                                                                                                                                                                             |
| Relatives of directors                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                 | Mr Rajagopal JK Rao - brother of Mrs Sumathi Velumani                                                                       |                                                                                                                                    | Mrs R Vasanthamani - wife of Dr A Rathinaswamy<br>Mr K Selvaraj - husband of Mrs S Susila                                                       |                                                                                                                                                                                                                                                                                                                                                                     |
| Subsidiary                                                                                                                                                                           | Nuclear Healthcare Limited                                                                                                                                                                                                                                                                                                | Nuclear Healthcare Limited (w.e.f. 15 November 2014)                                                                                                                                                                                                                                                                                                                            |                                                                                                                             |                                                                                                                                    |                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                     |
| Companies over which the key managerial personnel and relatives have control/ significant influence (associates) and with whom transactions have taken place during the year/period. | Thyrocare Properties & Infrastructure Private Limited<br>Thyrocare Publications Private Limited<br>Thyrocare International Holding Company Limited, Mauritius<br>Thyrocare Gulf Laboratories WLL<br>Sumathi Infra Projects Private Limited<br>Sumathi Constructions Private Limited<br>Mahima Advertising Private Limited | Thyrocare Properties & Infrastructure Private Limited<br>Thyrocare Publications Private Limited<br>Thyrocare International Holding Company Limited, Mauritius<br>Thyrocare Gulf Laboratories WLL<br>Sumathi Infra Projects Private Limited<br>Sumathi Constructions Private Limited<br>Mahima Advertising Private Limited<br>Nuclear Healthcare Limited (upto 14 November 2014) | Thyrocare International Holding Company Limited, Mauritius<br>Thyrocare Gulf Laboratories WLL<br>Nuclear Healthcare Limited | Thyrocare International Holding Company Limited, Mauritius<br>Nuclear Healthcare Limited<br>Sumathi Infra Projects Private Limited | Nuclear Healthcare Limited                                                                                                                      | Thyrocare Diagnostics Private Limited<br>Thyrocare Biotech Private Limited<br>Thyrocare Properties & Infrastructure Private Limited<br>Thyrocare Hospitals Limited<br>Total T3T4TSH Diagnostics Private Limited<br>Pavilion Commercial Private Limited<br>Nuclear Healthcare Limited<br>Sumathi Constructions Private Limited<br>Dee Anu Trading Co Private Limited |

#### Notes :

- 1) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

# Thyrocare Technologies Limited

## Annexure XVII (Continued)

### Restated Standalone Statement of Related Party Transactions

(Rs. in million)

| Particulars                    | Entity                                                     | For the six months ended | For the years ended |               |               |               |               |
|--------------------------------|------------------------------------------------------------|--------------------------|---------------------|---------------|---------------|---------------|---------------|
|                                |                                                            | 30 September 2015        | 31 March 2015       | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| <b>Expenses</b>                |                                                            |                          |                     |               |               |               |               |
| Rent                           | Nuclear Healthcare Limited                                 | 0.51                     | 0.23                | -             | -             | -             | -             |
|                                | Sumathi Constructions Private Limited                      | 1.60                     | 0.79                | -             | -             | -             | -             |
| Outlab processing charges paid | Nuclear Healthcare Limited                                 | 24.62                    | -                   | -             | -             | -             | -             |
| Remuneration                   | Mr K Selvaraj                                              | -                        | -                   | -             | -             | 0.06          | 0.40          |
|                                | Mrs S Susila                                               | -                        | -                   | -             | -             | 0.09          | 0.69          |
|                                | Mr V Anand                                                 | -                        | -                   | -             | -             | 0.03          | 0.28          |
|                                | Ms V Amruta                                                | -                        | -                   | -             | -             | 0.01          | 0.06          |
|                                | Mrs R Vasanthamani                                         | -                        | -                   | -             | -             | 0.03          | 0.18          |
|                                | Dr A Rathinaswamy                                          | -                        | -                   | -             | -             | 0.10          | -             |
|                                | Mr Rajagopal JK Rao                                        | -                        | -                   | 1.13          | 1.64          | 1.22          | -             |
| <b>Income</b>                  |                                                            |                          |                     |               |               |               |               |
| Sale of Radiopharmaceuticals   | Nuclear Healthcare Limited                                 | -                        | 14.68               | -             | -             | -             | -             |
| Revenue from operations        | Thyrocare Gulf Laboratories WLL                            | 6.48                     | 18.20               | -             | -             | -             | -             |
| Interest on unsecured loans    | Thyrocare Diagnostics Private Limited                      | -                        | -                   | -             | -             | -             | 0.45          |
|                                | Thyrocare Biotech Private Limited                          | -                        | -                   | -             | -             | -             | 1.21          |
|                                | Thyrocare Hospitals Limited                                | -                        | -                   | -             | -             | -             | 1.40          |
|                                | Thyrocare Properties & Infrastructure Private Limited      | -                        | -                   | -             | -             | -             | 0.04          |
|                                | Total T3T4TSH Diagnostics Private Limited                  | -                        | -                   | -             | -             | -             | 0.03          |
|                                | Pavilion Commercial Private Limited                        | -                        | -                   | -             | -             | -             | 0.61          |
|                                | Nuclear Healthcare Limited                                 | -                        | -                   | -             | 6.51          | 5.48          | -             |
|                                | Sumathi Constructions Private Limited                      | -                        | -                   | -             | -             | -             | 0.04          |
|                                | Dr A Velumani HUF                                          | -                        | -                   | -             | -             | -             | 0.06          |
| Service Income                 | Nuclear Healthcare Limited                                 | 3.68                     | -                   | -             | -             | -             | -             |
| Technical assistance           | Thyrocare International Holding Company Limited, Mauritius | 0.66                     | 0.85                | 1.06          | -             | -             | -             |
|                                | Thyrocare Gulf Laboratories WLL                            | -                        | 4.99                | 1.46          | -             | -             | -             |
| <b>Managerial remuneration</b> | Dr A Velumani                                              | 4.80                     | 4.80                | 3.50          | 3.60          | 0.45          | 2.05          |
|                                | Dr A Rathinaswamy                                          | -                        | -                   | -             | -             | -             | 0.89          |
|                                | Mr A Sundararaju                                           | 2.10                     | 3.90                | 3.20          | 3.36          | 2.80          | 2.05          |
|                                | Mrs Sumathi Velumani                                       | -                        | -                   | -             | -             | 0.24          | 0.73          |
|                                | Mr Rajagopal JK Rao                                        | -                        | -                   | -             | -             | -             | 1.07          |

# Thyrocare Technologies Limited

## Annexure XVII (Continued)

### Disclosures of significant transactions with related parties, as restated

(Rs. in million)

| Particulars                                                                                       | Entity                                                | For the six months ended | For the years ended |               |               |               |               |
|---------------------------------------------------------------------------------------------------|-------------------------------------------------------|--------------------------|---------------------|---------------|---------------|---------------|---------------|
|                                                                                                   |                                                       | 30 September 2015        | 31 March 2015       | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| <b>Advances received</b>                                                                          |                                                       | -                        |                     |               |               |               |               |
| Unsecured loans taken                                                                             | Dr A Velumani HUF                                     | -                        | -                   | -             | -             | -             | 5.00          |
| <b>Advances granted</b>                                                                           |                                                       | -                        |                     |               |               |               |               |
| Unsecured loans granted                                                                           | Thyrocare Biotech Private Limited                     | -                        | -                   | -             | -             | -             | 24.00         |
|                                                                                                   | Thyrocare Properties & Infrastructure Private Limited | -                        | -                   | -             | -             | -             | 0.12          |
|                                                                                                   | Sumathi Constructions Private Limited                 | -                        | -                   | -             | -             | -             | 0.90          |
|                                                                                                   | Dee Anu Trading Co Private Limited                    | -                        | -                   | -             | -             | -             | 119.80        |
|                                                                                                   | Nueclear Healthcare Limited                           | -                        | 7.45                | -             | 150.20        | 549.94        | -             |
| Unsecured loans repaid                                                                            | Nueclear Healthcare Limited                           | -                        | -                   | -             | 315.61        | 384.52        | -             |
| Reimbursement of expenses or Expenses recoverable                                                 | Nueclear Healthcare Limited                           | 2.89                     | -                   | 14.86         | 14.84         | 0.83          | -             |
| <b>Purchase of assets</b>                                                                         |                                                       | -                        |                     |               |               |               |               |
| Purchase of fixed assets                                                                          | Nueclear Healthcare Limited                           | -                        | -                   | -             | 510.00        | -             | -             |
| Share swap of equity shares of Nueclear Sumathi Infra Projects Private Limited Healthcare Limited |                                                       | -                        | 211.50              | -             | -             | -             | -             |

# Thyrocare Technologies Limited

## Annexure XVII (Continued)

### Disclosures of significant transactions with related parties, as restated

(Rs. in million)

| Particulars                         | Entity                                                | For the six months ended | For the years ended |               |               |               |               |
|-------------------------------------|-------------------------------------------------------|--------------------------|---------------------|---------------|---------------|---------------|---------------|
|                                     |                                                       | 30 September 2015        | 31 March 2015       | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| <b>Sale of investments</b>          | Sumathi Infra Projects Private Limited                | -                        | -                   | -             | 200.00        | -             | -             |
| <b>Investment</b>                   |                                                       | -                        |                     |               |               |               |               |
| Subscription paid for equity shares | Nueclear Healthcare Limited                           | -                        | -                   | -             | -             | -             | 240.00        |
| Equity shares                       | Thyrocare International Holding Co Mauritius          | -                        | -                   | -             | 16.15         | -             | -             |
| <b>Security deposit given</b>       |                                                       | -                        |                     |               |               |               |               |
| For rented premises                 | Nueclear Healthcare Limited                           | -                        | 1.86                | -             | -             | -             | -             |
| <b>Sale of business undertaking</b> |                                                       | -                        |                     |               |               |               |               |
| Slump sale                          | Nueclear Healthcare Limited                           | -                        | 113.50              | -             | -             | -             | -             |
| <b>Allotment of equity shares</b>   | Dr A Velumani                                         | -                        | 9.03                | -             | 8.11          | -             | -             |
|                                     | Mr A Sundararaju                                      | -                        | 0.30                | -             | -             | -             | -             |
|                                     | Mrs Sumathi Velumani                                  | -                        | 0.17                | -             | -             | -             | -             |
|                                     | Mr V Anand                                            | -                        | 0.04                | -             | -             | -             | -             |
|                                     | Ms V Amruta                                           | -                        | 0.17                | -             | -             | -             | -             |
|                                     | Dr A Velumani HUF                                     | -                        | 0.25                | -             | -             | -             | -             |
| <b>Dividend paid/ payable</b>       | Dr A Velumani                                         | 84.36                    | 42.06               | -             | -             | -             | -             |
|                                     | Mr A Sundararaju                                      | 1.79                     | 0.78                | -             | -             | -             | -             |
|                                     | Mrs Sumathi Velumani                                  | 4.42                     | 2.25                | -             | -             | -             | -             |
|                                     | Mr V Anand                                            | 6.05                     | 3.08                | -             | -             | -             | -             |
|                                     | Ms V Amruta                                           | 5.62                     | 2.86                | -             | -             | -             | -             |
|                                     | Dr A Velumani HUF                                     | 6.70                     | 3.41                | -             | -             | -             | -             |
|                                     | Mrs Bhamini S                                         | -                        | 0.02                | -             | -             | -             | -             |
|                                     | A Sundararaju HUF                                     | 19.47                    | 9.92                | -             | -             | -             | -             |
|                                     | Dr A Rathinaswamy                                     | -                        | 0.02                | -             | -             | -             | -             |
|                                     | Mrs S Susila                                          | -                        | 0.02                | -             | -             | -             | -             |
|                                     | Mr P Arokiaswamy                                      | 0.00*                    | 0.02                | -             | -             | -             | -             |
|                                     | Mrs A Sayamal                                         | 0.00*                    | 0.02                | -             | -             | -             | -             |
|                                     | Sumathi Infra Projects Private Limited                | 11.82                    | 3.38                | -             | -             | -             | -             |
|                                     | Mahima Advertising Private Limited                    | 9.45                     | 4.81                | -             | -             | -             | -             |
|                                     | Thyrocare Properties & Infrastructure Private Limited | 39.13                    | 19.93               | -             | -             | -             | -             |
|                                     | Thyrocare Publications Private Limited                | 49.01                    | 24.96               | -             | -             | -             | -             |

\* Amount less than 0.01 million

#### Notes :

1) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

# Thyrocare Technologies Limited

## Annexure XVII (Continued)

### Restated Standalone Statement of Outstanding balances

(Rs. in million)

| Particulars                              | Entity                                                                     | For the six months ended | For the years ended |               |               |               |               |
|------------------------------------------|----------------------------------------------------------------------------|--------------------------|---------------------|---------------|---------------|---------------|---------------|
|                                          |                                                                            | 30 September 2015        | 31 March 2015       | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| <b>Unsecured loans</b>                   |                                                                            |                          |                     |               |               |               |               |
| Unsecured loans granted                  | Nuclear Healthcare Limited                                                 | -                        | -                   | -             | -             | 165.42        | -             |
| <b>Receivables</b>                       |                                                                            | -                        |                     |               |               |               |               |
| Expenses recoverable                     | Nuclear Healthcare Limited                                                 | -                        | -                   | 14.86         | -             | -             | -             |
| Receivables                              | Nuclear Healthcare Limited                                                 | 108.81                   | 106.00              | -             | -             | -             | -             |
|                                          | Thyrocare International Holding Company Limited, Mauritius                 | 0.03                     | 0.03                | 1.06          | -             | -             | -             |
|                                          | Thyrocare Gulf Laboratories WLL                                            | 24.60                    | 18.20               | 1.46          | -             | -             | -             |
| <b>Remuneration payable</b>              | Dr A Velumani                                                              | 0.57                     | -                   | -             | -             | -             | -             |
|                                          | Mr A Sundararaju                                                           | 0.26                     | -                   | -             | -             | -             | -             |
| <b>Security deposits given</b>           | Nuclear Healthcare Limited                                                 | 1.86                     | 1.86                | -             | -             | -             | -             |
| <b>Amount payable to related parties</b> | Nuclear Healthcare Limited                                                 | 12.13                    | -                   | -             | -             | -             | -             |
| <b>Investment</b>                        |                                                                            | -                        |                     |               |               |               |               |
| Subscription paid for equity shares      | Nuclear Healthcare Limited                                                 | -                        | -                   | -             | -             | -             | 240.00        |
| Equity shares                            | Nuclear Healthcare Limited                                                 | 971.50                   | 971.50              | 160.00        | 160.00        | 240.00        | -             |
|                                          | Thyrocare International Holding Co Mauritius                               | 16.15                    | 16.15               | 16.15         | 16.15         | -             | -             |
| <b>Dividend payable</b>                  | Dr A Velumani                                                              | 42.18                    | -                   | -             | -             | -             | -             |
|                                          | Mr A Sundararaju                                                           | 0.90                     | -                   | -             | -             | -             | -             |
|                                          | Mrs Sumathi Velumani                                                       | 2.21                     | -                   | -             | -             | -             | -             |
|                                          | Mr V Anand                                                                 | 3.03                     | -                   | -             | -             | -             | -             |
|                                          | Ms V Amruta                                                                | 2.81                     | -                   | -             | -             | -             | -             |
|                                          | Dr A Velumani HUF                                                          | 3.35                     | -                   | -             | -             | -             | -             |
|                                          | Mrs Bhamini S                                                              | -                        | -                   | -             | -             | -             | -             |
|                                          | A Sundararaju HUF                                                          | 9.74                     | -                   | -             | -             | -             | -             |
|                                          | Dr A Rathinaswamy                                                          | -                        | -                   | -             | -             | -             | -             |
|                                          | Mrs S Susila                                                               | -                        | -                   | -             | -             | -             | -             |
|                                          | Mr P Arokiaswamy                                                           | 0.00*                    | -                   | -             | -             | -             | -             |
|                                          | Mrs A Sayamal                                                              | 0.00*                    | -                   | -             | -             | -             | -             |
|                                          | Sumathi Infra Projects Private Limited [Alexandra Vinimay Private Limited] | 5.91                     | -                   | -             | -             | -             | -             |
|                                          | Mahima Advertising Private Limited                                         | 4.73                     | -                   | -             | -             | -             | -             |
|                                          | Thyrocare Properties & Infrastructure Private Limited                      | 19.57                    | -                   | -             | -             | -             | -             |
|                                          | Thyrocare Publications Private Limited                                     | 24.50                    | -                   | -             | -             | -             | -             |

\* Amount less than 0.01 million

#### Notes :

1) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

# Thyrocare Technologies Limited

## Annexure XVIII

### Capitalisation statement

| (Rs. in million)                    |                                     |                                  |
|-------------------------------------|-------------------------------------|----------------------------------|
| Particulars                         | Pre Issue (As at 30 September 2015) | Post Issue (As adjusted for IPO) |
| Short term debt                     | -                                   |                                  |
| Long term debt                      | -                                   |                                  |
| <b>Total debt (A)</b>               | -                                   |                                  |
| <b>Shareholders funds</b>           |                                     | <b>Refer Note 2 below</b>        |
| Share capital                       | 505.36                              |                                  |
| Reserves and surplus                | 2,140.14                            |                                  |
| <b>Total shareholders funds (B)</b> | 2,645.50                            |                                  |
| <b>Long term debt/ equity (A/B)</b> | -                                   |                                  |

**Notes:**

- 1. The figures disclosed above are based on the restated financial information of the Company.
- 2. The Post issue debt equity ratio will be computed on the conclusion of book building process.



# Thyrocare Technologies Limited

## Annexure XIX

### Restated Standalone Statement of accounting ratios

(Rs. in million, except for share data)

| Particulars                                                                 | As at / For the six months ended |               | As at / For the years ended |               |               |               |
|-----------------------------------------------------------------------------|----------------------------------|---------------|-----------------------------|---------------|---------------|---------------|
|                                                                             | 30 September 2015                | 31 March 2015 | 31 March 2014               | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| Net worth (A)                                                               | 2,645.50                         | 2,789.19      | 2,062.63                    | 1,601.07      | 1,024.76      | 675.33        |
| Net profit after tax attributable to equity shareholders (B)                | 304.87                           | 484.50        | 461.56                      | 568.19        | 349.43        | 248.25        |
| Weighted average number of equity shares outstanding during the period/year |                                  |               |                             |               |               |               |
| For basic earnings per share (C)                                            | 50,535,971                       | 49,492,288    | 43,670,076                  | 43,569,090    | 43,237,700    | 43,237,700    |
| For diluted earnings per share (D)                                          | 50,576,405                       | 49,492,288    | 49,710,076                  | 49,609,090    | 49,277,700    | 49,277,700    |
| Earnings per share Rs. 10 each (refer note )                                |                                  |               |                             |               |               |               |
| Basic earnings per share (Rs) (E = B/C)                                     | 6.03                             | 9.79          | 10.57                       | 13.04         | 8.08          | 5.74          |
| Diluted earnings per share (Rs) (F = B/D)                                   | 6.03                             | 9.79          | 9.29                        | 11.45         | 7.09          | 5.04          |
| Return on net worth (%) (G = B/A)                                           | 12%                              | 17%           | 22%                         | 35%           | 34%           | 37%           |
| Number of equity shares outstanding at the end of the period/year (H)       | 50,535,971                       | 50,535,971    | 43,670,076                  | 43,670,076    | 43,237,700    | 43,237,700    |
| Net assets value per equity share of Rs 10 each (I = A/H)                   | 52                               | 55            | 47                          | 37            | 24            | 16            |
| Face value (Rs.)                                                            | 10                               | 10            | 10                          | 10            | 10            | 10            |

#### Notes:

1. The above ratios are calculated as under:

a) Earnings per share = Net profit after tax attributable to equity shareholders / weighted average number of shares outstanding during the period/year.

b) Return on net worth (%) = Net profit after tax / net worth as at the end of period/year.

c) Net asset value per equity share (Rs) = Net worth / Total number of equity shares outstanding as at the end of period/year.

2. The figures disclosed above are based on the restated financial information of Thyrocare Technologies Limited.

3. Earnings per share calculations are done in accordance with Accounting Standard 20 “Earnings Per Share” (“AS 20”) as notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. As required by AS 20, if the number of equity or potential equity shares outstanding increases as a result of a bonus issue or share split or decreases as a result of a reverse share split (consolidation of shares), the calculation of basic and diluted earnings per share should be adjusted for all the periods presented. As stated in Note 2 of Annexure VIII ‘Share Capital’, the number of shares, during the year ended 31 March 2015, have increased on account of issue of bonus shares. Accordingly, the bonus shares have been considered while computing the basic and diluted earnings per share for the years ended 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011, as disclosed in the schedule above.

4. Ratios for the six months ended 30 September 2015 is not annualised.

5. The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

# Thyrocare Technologies Limited

## Annexure XX

### Restated Standalone Statement of tax shelter

(Rs. in million)

| Particulars                                                     | For the six months ended |                | For the years ended |                 |               |               |
|-----------------------------------------------------------------|--------------------------|----------------|---------------------|-----------------|---------------|---------------|
|                                                                 | 30 September 2015        | 31 March 2015  | 31 March 2014       | 31 March 2013   | 31 March 2012 | 31 March 2011 |
| <b>A Restated profit before tax</b>                             | <b>457.37</b>            | <b>716.21</b>  | <b>688.97</b>       | <b>778.72</b>   | <b>520.18</b> | <b>376.30</b> |
| Short - term capital gains at normal rate of tax                | 3.18                     | 10.59          | -                   | -               | -             | 8.37          |
| Long - term gains at specified rates                            | -                        | 42.85          | 58.59               | 7.90            | -             | -             |
| Profit eligible for normal income tax rates                     | <b>460.55</b>            | <b>769.64</b>  | <b>747.56</b>       | <b>786.62</b>   | <b>520.18</b> | <b>384.67</b> |
| <b>B Tax rates</b> (excluding surcharge and education cess)     |                          |                |                     |                 |               |               |
| Income tax rates                                                | 30%                      | 30%            | 30%                 | 30%             | 30%           | 30%           |
| Special tax rate on long term capital gain (before indexing)    | 10%                      | 10%            | 10%                 | 10%             | 10%           | 10%           |
| Special tax rate on long term capital gain (after indexing)     | 20%                      | 20%            | 20%                 | 20%             | 20%           | 20%           |
| <b>C Tax at Specified rates</b>                                 |                          |                |                     |                 |               |               |
| Chargeable at normal rate                                       | 134.64                   | 218.49         | 207.14              | 235.06          | 157.12        | 115.42        |
| Specified capital gains tax                                     | -                        | 4.28           | 5.86                | 1.58            | -             | -             |
| Tax Adjustment for prior period (Note 2)                        | -                        | -              | (1.59)              | (2.89)          | (0.33)        | 0.87          |
| <b>Total</b>                                                    | <b>134.64</b>            | <b>222.77</b>  | <b>211.40</b>       | <b>233.75</b>   | <b>156.79</b> | <b>116.29</b> |
| <b>D Permanent differences</b>                                  |                          |                |                     |                 |               |               |
| Exempt income / Income considered seperately                    | (15.98)                  | (75.93)        | (37.29)             | (131.70)        | -             | -             |
| Disallowance of expenses as per income tax act                  | 7.22                     | 16.82          | 3.67                | 1.47            | -             | -             |
| <b>Total permanent differences</b>                              | <b>(8.75)</b>            | <b>(59.10)</b> | <b>(33.62)</b>      | <b>(130.23)</b> | <b>-</b>      | <b>-</b>      |
| <b>E Timing differences</b>                                     |                          |                |                     |                 |               |               |
| Difference between book depreciation and tax depreciation       | 5.82                     | 26.14          | (14.50)             | (11.84)         | 2.27          | (2.13)        |
| Expenses allowed / disallowed under section 43B of the Act      | 12.89                    | 14.00          | (1.44)              | 0.61            | 0.97          | 1.84          |
| Expenses allowed / disallowed under section 40A(7) of the Act   | 3.07                     | 2.80           | 1.41                | 0.25            | 0.69          | 0.84          |
| Others                                                          | (9.74)                   | 9.27           | (3.78)              | 0.06            | 4.34          | 12.25         |
| <b>Total timing differences</b>                                 | <b>12.04</b>             | <b>52.21</b>   | <b>(18.30)</b>      | <b>(10.92)</b>  | <b>8.27</b>   | <b>12.80</b>  |
| <b>F Total differences (D+E)</b>                                | <b>3.29</b>              | <b>(6.89)</b>  | <b>(51.92)</b>      | <b>(141.15)</b> | <b>8.28</b>   | <b>12.80</b>  |
| <b>G Tax expenses / (saving) thereon (F X B )</b>               | <b>0.99</b>              | <b>(2.07)</b>  | <b>(15.58)</b>      | <b>(42.35)</b>  | <b>2.48</b>   | <b>3.84</b>   |
| <b>H Total Tax (C+G)</b>                                        | <b>135.63</b>            | <b>220.71</b>  | <b>195.83</b>       | <b>191.41</b>   | <b>159.28</b> | <b>120.13</b> |
| <b>I Minimum alternate tax</b>                                  | <b>108.35</b>            | <b>141.18</b>  | <b>122.51</b>       | <b>144.17</b>   | <b>96.99</b>  | <b>70.72</b>  |
| <b>J Tax liability being higher of H or I</b>                   | <b>135.63</b>            | <b>220.71</b>  | <b>195.83</b>       | <b>191.41</b>   | <b>159.28</b> | <b>120.13</b> |
| <b>K Surcharge and cess</b>                                     | <b>21.37</b>             | <b>29.29</b>   | <b>26.20</b>        | <b>15.72</b>    | <b>12.92</b>  | <b>12.74</b>  |
| <b>Provision for current tax as per books of accounts (J+K)</b> | <b>157.00</b>            | <b>250.00</b>  | <b>222.03</b>       | <b>207.13</b>   | <b>172.20</b> | <b>132.87</b> |

- 1) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.
- 2) Short provision for taxation in respect of earlier years as reported in the audited financial statements for the financial years ended March 31, 2011, March 31, 2012, March 31, 2013, March 31, 2014, March 31, 2015 and September 30, 2015 have been adjusted in the summary of statement of profits and losses, as restated in the years to which these amounts pertain to.



The Board of Directors  
Thyrocare Technologies Limited  
D-37/1, MIDC, Turbhe, Opp. Sandoz  
Navi Mumbai 400 703  
INDIA

Dear Sirs

We have examined the attached restated consolidated summary financial information of Thyrocare Technologies Limited (“the Company”) and its subsidiary (herein together with the Company referred to as the “Group”) as approved by the Board of Directors of the Company on 24 December 2015, prepared by the management of the Company in terms of the requirements of Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the ‘SEBI Regulations’), the Guidance Note on ‘Reports in Company’s Prospectus (Revised)’ issued by the Institute of Chartered Accountants of India (‘ICAI’) to the extent applicable (‘Guidance Note’), and in terms of our engagement agreed with you in accordance with our engagement letter dated 18 November 2015 in connection with the proposed issue of Equity Shares of the Company by way of an offer for sale by the selling shareholders.

These restated consolidated summary financial information have been extracted by the Management from the Company’s consolidated audited financial statements for the six months period ended 30 September 2015 and for the year ended 31 March 2015. We have audited the consolidated financial statements of the Company for the six months period ended 30 September 2015. The consolidated financial statements for the financial year ended 31 March 2015 were audited by M/s B S R and Co, Chartered Accountants and reliance has been placed on these consolidated financial statements audited by them and the financial report included for the year ended 31 March 2015, is based solely on the report submitted by them. M/s B S R and Co and M/s B S R & Co. LLP are member entities of B S R & Affiliates, a network, registered with the Institute of Chartered Accountants of India.

- 1 In accordance with the requirements of Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we further report that:
  - a) The Restated Consolidated Summary Statement of Assets and Liabilities as at 30 September 2015 and 31 March 2015, examined by us, as set out in Annexure I to this report read with the significant accounting policies in Annexure IV are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes to the Restated Consolidated Summary Financial Information enclosed as Annexure IV to this report. For the six months period ended 30 September 2015 reliance has been placed on the consolidated financial statements audited by us and for the year ended 31 March 2015 reliance has been placed by us on the consolidated financial statements audited by M/s B S R and Co, Chartered Accountants. As a result of these adjustments, the amounts reported in the above mentioned statements are not necessarily the same as those appearing in the audited consolidated financial statements of the Company and its subsidiary for the relevant financial year/period.

- b) The Restated Consolidated Summary Statement of Profit and Loss of the Company for the six months period ended 30 September 2015 and for the year ended 31 March 2015, as set out in Annexure II to this report read with the significant accounting policies in Annexure IV are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes to the Restated Consolidated Summary Financial Information enclosed as Annexure IV to this report. For the six months period ended 30 September 2015 reliance has been placed on the consolidated financial statements audited by us and for the year ended 31 March 2015 reliance has been placed by us on the consolidated financial statements audited by M/s B S R and Co, Chartered Accountants. As a result of these adjustments, the amounts reported in the above mentioned statements are not necessarily the same as those appearing in the audited consolidated financial statements of the Company and its subsidiary for the relevant financial year/period.
  - c) The Restated Consolidated Summary Statement of Cash Flows of the Company for the six months period ended 30 September 2015 and for the year ended 31 March 2015, as set out in Annexure III to this report read with the significant accounting policies in Annexure IV are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes to the Restated Consolidated Summary Financial Information enclosed as Annexure IV to this report. For the six months period ended 30 September 2015 reliance has been placed on the consolidated financial statements audited by us and for the year ended 31 March 2015 reliance has been placed by us on the consolidated financial statements audited by M/s B S R and Co, Chartered Accountants. As a result of these adjustments, the amounts reported in the above mentioned statements are not necessarily the same as those appearing in the audited consolidated financial statements of the Company and its subsidiary for the relevant financial year/period.
- 2 Based on the above, the Restated Consolidated Summary Financial Information:
- i) has been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial year/period to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods based on the significant accounting policies adopted by the Group as at 30 September 2015;
  - ii) has been made after incorporating adjustments for prior period and other material amounts in the respective financial year/period to which they relate to; and
  - iii) do not contain any extra-ordinary items that need to be disclosed separately other than those presented in the Restated Consolidated Summary Financial Information and do not contain any qualifications requiring adjustments.
- 3 We have also examined the following restated consolidated summary financial information as set out in the Annexures prepared by the management of the Company and approved by the Board of Directors on 24 December 2015, relating to the Company for the six months period ended 30 September 2015 and for the year ended 31 March 2015.
- i) Restated Consolidated Statement of Current and Non-Current Investments , included in Annexure V;
  - ii) Restated Consolidated Statement of Inventories, included in Annexure VI;
  - iii) Restated Consolidated Statement of Trade receivables, included in Annexure VII;
  - iv) Restated Consolidated Statement of Cash and Bank Balances, included in Annexure VIII;

- v) Restated Consolidated Statement of Long-term and Short-term Loan and Advances and Other Non-Current and Current Assets, included in Annexure IX;
  - vi) Restated Consolidated Statement of Current and Non-Current Liabilities and Long-term and Short-term Provisions, included in Annexure X;
  - vii) Restated Consolidated Statement of Share Capital, included in Annexure XI;
  - viii) Restated Consolidated Statement of Reserves and Surplus, included in Annexure XII;
  - ix) Restated Consolidated Statement of Revenue from Operations, included in Annexure XIII;
  - x) Restated Consolidated Statement of Other Income, included in Annexure XIV;
  - xi) Restated Consolidated Statement of Expenses, included in Annexure XV;
  - xii) Restated Consolidated Statement of Dividend, included in Annexure XVI;
  - xiii) Restated Consolidated Statement of Related Party Transactions, included in Annexure XVII;
  - xiv) Capitalization statement, as appearing in Annexure XVIII;
  - xv) Restated Consolidated Statement of Accounting Ratios, included in Annexure XIX;
- 4 This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or M/s B S R and Co, Chartered Accountants, nor should this report be construed as an opinion on any of the consolidated financial statements referred to herein.
- 5 We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 6 In our opinion, the above restated consolidated summary financial information contained in Annexure I to Annexure XIX accompanying this report read along with the Significant Accounting Policies and Notes to Restated Consolidated Summary Financial Information (Refer Annexure IV) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable, SEBI Regulations, the Guidance note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement as agreed with you.
- 7 Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of Equity Shares of the Company by way of an offer for sale by the selling shareholders. Our report should not be used, referred to or distributed for any other purpose except with our consent in writing.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Sadashiv Shetty**

*Partner*

Membership No: 048648

Mumbai  
24 December 2015

Thyrocare Technologies Limited

Annexure-I

Restated Consolidated Summary Statement of Assets and Liabilities

(Rs.in million)

|                                | As at             |               |
|--------------------------------|-------------------|---------------|
|                                | 30 September 2015 | 31 March 2015 |
| <b>Equity and liabilities</b>  |                   |               |
| <b>Shareholders' Fund</b>      |                   |               |
| Share capital                  | 505.36            | 505.36        |
| Reserves and surplus           | 2,093.07          | 2,241.32      |
|                                | 2,598.43          | 2,746.68      |
| <b>Minority Interests</b>      | 347.31            | 360.11        |
| <b>Non-current liabilities</b> |                   |               |
| Other long term liabilities    | 58.56             | 63.78         |
| Long-term provisions           | 55.25             | 57.02         |
|                                | 113.81            | 120.80        |
| <b>Current liabilities</b>     |                   |               |
| Trade payables                 | 24.58             | 8.37          |
| Other current liabilities      | 74.00             | 48.21         |
| Short-term provisions          | 263.37            | 11.51         |
|                                | 361.95            | 68.09         |
| <b>Total</b>                   | 3,421.50          | 3,295.68      |
| <b>Assets</b>                  |                   |               |
| <b>Non-current assets</b>      |                   |               |
| <b>Fixed assets</b>            |                   |               |
| Tangible assets                | 1,526.08          | 1,495.94      |
| Intangible assets              | 9.19              | 10.73         |
| Capital work-in-progress       | 32.95             | 55.53         |
| Goodwill on consolidation      | 453.43            | 453.43        |
| Non current investments        | 16.15             | 16.15         |
| Deferred tax asset (net)       | 16.76             | 13.24         |
| Long-term loans and advances   | 96.81             | 143.94        |
|                                | 2,151.37          | 2,188.96      |
| <b>Current assets</b>          |                   |               |
| Current investments            | 608.33            | 843.01        |
| Inventories                    | 78.57             | 73.66         |
| Trade receivables              | 61.48             | 49.12         |
| Cash and bank balances         | 149.30            | 50.75         |
| Short-term loans and advances  | 183.85            | 89.97         |
| Other current assets           | 188.60            | 0.21          |
|                                | 1,270.13          | 1,106.72      |
| <b>Total</b>                   | 3,421.50          | 3,295.68      |

The above statement should be read with the Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Consolidated Financial Information, appearing in Annexure V to Annexure XIX and Statement of Adjustments to Audited Financial Statements, appearing in Annexure IV.

As per our report of even date attached.

For **B S R & Co. LLP**  
*Chartered Accountants*  
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
**Thyrocare Technologies Limited**

**Sadashiv Shetty**  
*Partner*  
Membership No: 048648

**Dr. A Velumani**  
*Managing Director*  
DIN - 00002804

**A Sundararaju**  
*Director*  
DIN - 00003260

**Ramjee D**  
*Company Secretary*  
Membership No - F2966

Mumbai  
24 December 2015

Mumbai  
24 December 2015

Mumbai  
24 December 2015

# Thyrocare Technologies Limited

## Annexure-II

### Restated Consolidated Summary Statement of Profit and Loss

(Rs.in million)

|                                                   | For the six months<br>ended<br>30 September 2015 | For the year ended<br>31 March 2015 |
|---------------------------------------------------|--------------------------------------------------|-------------------------------------|
| <b>Revenue</b>                                    |                                                  |                                     |
| Revenue from operations                           | 1,192.60                                         | 1,829.58                            |
| Other income                                      | 33.57                                            | 73.80                               |
| <b>Total revenue</b>                              | <b>1,226.17</b>                                  | <b>1,903.38</b>                     |
| <b>Expenses</b>                                   |                                                  |                                     |
| Cost of materials consumed                        | 320.67                                           | 492.62                              |
| Purchase of stock in Trade                        | 29.40                                            | 66.70                               |
| Change in inventories of stock in trade           | 4.05                                             | (1.04)                              |
| Employee benefits expense                         | 106.97                                           | 177.78                              |
| Depreciation and amortisation                     | 85.86                                            | 128.65                              |
| Other expenses                                    | 238.25                                           | 373.28                              |
| <b>Total expenses</b>                             | <b>785.19</b>                                    | <b>1,237.99</b>                     |
| <b>Profit before tax</b>                          | <b>440.98</b>                                    | <b>665.39</b>                       |
| <b>Tax expense :</b>                              |                                                  |                                     |
| Current tax                                       | 157.00                                           | 250.00                              |
| Deferred tax (credit)                             | (3.51)                                           | (19.32)                             |
|                                                   | <b>153.49</b>                                    | <b>230.68</b>                       |
| <b>Profit after tax, as restated</b>              | <b>287.50</b>                                    | <b>434.71</b>                       |
| Profit attributable to minority shareholders      | (12.80)                                          | (11.79)                             |
| <b>Net retained profit after tax, as restated</b> | <b>300.29</b>                                    | <b>446.50</b>                       |

The above statement should be read with the Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Consolidated Financial Information, appearing in Annexure V to Annexure XIX and Statement of Adjustments to Audited Financial Statements, appearing in Annexure IV.

As per our report of even date attached.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
**Thyrocare Technologies Limited**

**Sadashiv Shetty**  
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**Dr. A Velumani**  
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DIN - 00002804

**A Sundararaju**  
Director  
DIN - 00003260

**Ramjee D**  
Company Secretary  
Membership No - F2966

Mumbai  
24 December 2015

Mumbai  
24 December 2015

Mumbai  
24 December 2015

# Thyrocare Technologies Limited

## Annexure III

### Restated Consolidated Summary Statement of Cash Flows

(Rs.in million)

|                                                                      | For the six months<br>ended<br>30 September 2015 | For the year ended<br>31 March 2015 |
|----------------------------------------------------------------------|--------------------------------------------------|-------------------------------------|
| <b>Cash flow from operating activities</b>                           |                                                  |                                     |
| <b>Net profit before tax</b>                                         | <b>440.98</b>                                    | 665.39                              |
| <u>Adjustments for:</u>                                              |                                                  |                                     |
| Depreciation and amortisation                                        | 85.86                                            | 128.65                              |
| Interest income                                                      | (0.15)                                           | (3.40)                              |
| Provision for diminution in value of investment                      | 1.31                                             | 2.40                                |
| (Profit) on sale of current investments in mutual funds (net)        | (11.08)                                          | (6.93)                              |
| Net loss on foreign exchange fluctuation                             | -                                                | 0.22                                |
| Employee stock compensation expense                                  | 7.64                                             | 8.18                                |
| Provision for claims                                                 | 0.84                                             | 1.67                                |
| (Profit)/loss on sale of fixed assets (net)                          | (0.44)                                           | 0.17                                |
| Dividend income from current investments                             | (13.94)                                          | (55.20)                             |
| <b>Operating cash flow before working capital changes</b>            | <b>511.02</b>                                    | 741.15                              |
| (Increase) in inventories                                            | (4.91)                                           | (10.51)                             |
| (Increase)/decrease in trade receivables                             | (12.36)                                          | 0.01                                |
| (Increase) in short term loans and advances                          | (93.88)                                          | (47.43)                             |
| Decrease / (Increase) in long term loans and advances                | 44.32                                            | (101.80)                            |
| Increase/(decrease) in long term and short term provisions           | (0.16)                                           | 18.20                               |
| Increase/(decrease) in other current and non current liabilities     | 20.57                                            | (18.76)                             |
| Increase/(decrease) in trade payables                                | 16.21                                            | (8.32)                              |
| Cash generated from operations                                       | <b>480.81</b>                                    | 572.54                              |
| Income taxes paid                                                    | <b>(132.86)</b>                                  | (227.86)                            |
| <b>Net cash generated by operating activities (A)</b>                | <b>347.95</b>                                    | 344.68                              |
| <b>Cash flow from investing activities</b>                           |                                                  |                                     |
| Purchase of fixed assets, capital work in progress                   | (92.50)                                          | (99.95)                             |
| Proceeds from sale of fixed assets                                   | 1.04                                             | 0.76                                |
| Purchase of current investments                                      | (599.96)                                         | (1,270.00)                          |
| Proceeds from sale of current investments                            | 665.76                                           | 1,773.10                            |
| Payment on acquisition of subsidiary (net)                           | -                                                | (591.49)                            |
| Dividend income from mutual funds                                    | 4.10                                             | 7.77                                |
| Bank deposits (having original maturity of more than 3 months)       | (0.50)                                           | 0.42                                |
| Loans given                                                          | -                                                | (0.34)                              |
| Interest received                                                    | 0.25                                             | 0.05                                |
| <b>Net cash (used in) investing activities (B)</b>                   | <b>(21.81)</b>                                   | (179.68)                            |
| <b>Cash flow from financing activities</b>                           |                                                  |                                     |
| Issue of share capital (including securities premium)                | -                                                | 0.34                                |
| Dividend paid including taxes                                        | (228.09)                                         | (228.78)                            |
| <b>Net cash used in financing activities (C)</b>                     | <b>(228.09)</b>                                  | (228.44)                            |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>  | <b>98.05</b>                                     | (63.44)                             |
| <b>Cash and cash equivalents at the beginning of the period/year</b> | <b>50.75</b>                                     | 114.20                              |
| <b>Cash and cash equivalents at the end of the period/year</b>       | <b>148.80</b>                                    | 50.76                               |
| <b>Notes to Cash flow statement</b>                                  |                                                  |                                     |
| <b>Components of cash and cash equivalents</b>                       |                                                  |                                     |
| Cash on hand                                                         | 1.12                                             | 0.19                                |
| Balances with banks                                                  |                                                  |                                     |
| '- In current accounts                                               | 147.68                                           | 50.56                               |
|                                                                      | <b>148.80</b>                                    | 50.75                               |

The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statement".

Thyrocare Technologies Limited

Annexure III (Continued)

Restated Consolidated Summary Statement of Cash Flows (Continued)

Note:

The above statement should be read with the Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Consolidated Financial Information, appearing in Annexure V to Annexure XIX and Statement of Adjustments to Audited Financial Statements, appearing in Annexure IV.

As per our report of even date attached.

For **B S R & Co. LLP**  
*Chartered Accountants*  
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
**Thyrocare Technologies Limited**

**Sadashiv Shetty**  
*Partner*  
Membership No: 048648

**Dr. A Velumani**  
*Managing Director*  
DIN - 00002804

**A Sundararaju**  
*Director*  
DIN - 00003260

**Ramjee D**  
*Company Secretary*  
Membership No - F2966

Mumbai  
24 December 2015

Mumbai  
24 December 2015

Mumbai  
24 December 2015



# Thyrocare Technologies Limited

## **Annexure IV - Notes to Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and year ended 31 March 2015**

### **Company overview**

Thyrocare Technologies Limited ("the Company") along with its majority-owned and controlled subsidiary, Nueclear Healthcare Limited ("the Subsidiary") is India's one of the leading healthcare service provider in diagnostic segment. The Company and the Subsidiary ("the Group") are engaged in providing quality at affordable costs to laboratories, hospitals and cancer patients. The Group has its centralised fully automated diagnostic testing laboratory, a medical cyclotron and PETCT facilities across the country.

## **1 Basis of preparation and Significant Accounting policies**

### **Basis of preparation**

The restated consolidated statement of assets and liabilities, of the Company as at 30 September 2015 and 31 March 2015 and the restated consolidated statement of profit and loss and the restated consolidated statement of cash flows for the six months period ended 30 September 2015 and for the years ended 31 March 2015 and Other Financial Information ("Collectively referred to as "Restated Consolidated Summary Financial Information") have been derived by the Management from the then Audited Financial Statements of the Company for the corresponding years. These Restated Consolidated Summary Financial Information have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering of existing equity shares of the Company. The Restated Consolidated Summary Financial Information have been prepared in accordance with the requirements of:

(a) sub clause (i) and (iii) of clause (b) of sub section (1) of section 26 of the Companies Act, 2013; and

(b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time.

These Restated Consolidated Summary Financial Information have been prepared after incorporating adjustments for the material amounts in the respective years/ period to which they relate.

There are no changes to accounting policies or incorrect accounting policies or auditors' qualification which require adjustment.

These Restated Consolidated Summary Financial Information were approved by the Board of Directors on December 24, 2015.

### **Significant accounting policies**

#### ***i. Basis of accounting and presentation***

The Restated Consolidated Financial Information of the Company have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 which continue to apply under section 133 of the Companies Act 2013, other pronouncements of the Institute of Chartered Accountants of India ('ICAI'), the provisions of the Companies Act, 2013 (to the extent notified) and the Companies Act, 1956, (to the extent applicable).

#### ***ii. Principles of Consolidation***

The Restated Consolidated Financial Information has been prepared based on the consolidated financial statements which have been prepared on the following basis:

(a) The financial statements of the Parent Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances, intra-group transactions and unrealised profits or losses have been fully eliminated.

(b) "Minority interest" represents the amount of equity attributable to minority shareholders at the date on which investment in the subsidiary is made and its share of movements in the equity since the date the parent subsidiary relationship comes into existence.

(c) The Consolidated Financial Statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

(d) Investments in subsidiary are eliminated and differences between the costs of investment over the net assets on the date of the investment in subsidiary are recognised as goodwill or capital reserve, as the case may be.

(e) Goodwill on consolidation represents the excess of purchase consideration over the net book value of assets acquired of the subsidiary as on the date of investment. Goodwill on consolidation is not amortised but is tested for impairment on each balance sheet date and impairment losses are recognised, where applicable.

(f) The financial statements of the subsidiary used for the purpose of consolidation are drawn upto the same reporting date as that of the parent Company, i.e. 30 September 2015.

(g) Investments other than in subsidiary are accounted as per the Accounting Standard 13 – "Accounting for Investments".

(h) The subsidiary consolidated under the Group consist of Nueclear Healthcare Limited incorporated in India and % shareholding in the said subsidiary is 58.5% as on 30 September 2015 and 31 March 2015.



# Thyrocare Technologies Limited

## Annexure IV - Notes to Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and year ended 31 March 2015 (Continued)

### 1 Significant accounting policies (*Continued*)

#### iii. *Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### iv. *Current–non-current classification*

All assets and liabilities are classified into current and non-current.

##### Assets

An asset is classified as current when it satisfies any of the following criteria :

- (a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

##### Liabilities

A liability is classified as current when it satisfies any of the following criteria :

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in the settlement by the issue of equity investments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

##### Operating cycle

#### v. *Inventories*

Inventories comprises of reagents, contrasts, diagnostic material, consumables and stock in trade which are valued at lower of cost and net realisable value. Cost is determined under the first in first out method and includes all costs incurred in bringing the inventories to their present location and condition.

#### vi. *Cash and cash equivalents (for purposes of Cash Flow Statement)*

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### vii. *Cash flow statement*

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

#### viii. *Revenue recognition*

Revenue from testing services, diagnostic services is recognised once the testing samples are processed for diagnostic tests requisitioned. Revenue from imaging services is recognised once the services are rendered.

Revenue from sale of products is recognised when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods. Sales are accounted net of sales tax and trade discounts, if any.

# Thyrocare Technologies Limited

## Annexure IV - Notes to Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and year ended 31 March 2015 (Continued)

### 1 Significant accounting policies (*Continued*)

#### viii. *Revenue recognition (Continued)*

Revenue from technical assistance and trade mark assignment is recognised once the company's right to receive the revenue is established by the reporting date. Revenue from technical assistance and trade mark is recognised as per the agreed percentage of the turnover of the respective entities, as per the terms of the agreement.

Interest income is recognized using the time proportion method, based on the underlying interest rates. Dividend income if any is recognized when the right to receive dividend is established.

#### ix. *Fixed assets and depreciation*

##### a. **Tangible assets**

Tangible assets are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes inward freight, duties, taxes (to the extent not recoverable from tax authorities) and expenses incidental to acquisition and installation of the fixed assets up to the time the assets are ready for intended use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

In respect of fixed assets purchased during the period, the depreciation is provided on a pro rata basis from the date on which such asset is ready to be put to use. Depreciation on tangible fixed assets, except leasehold land/ freehold land, is provided under the written down value method at the rates prescribed in Schedule II to the Act, which in the opinion of management reflects the economic useful lives of assets. Depreciation on sale of assets is provided up to the date of sale of the asset. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at higher rate based on the management's estimate of the useful life/ remaining useful life.

Leasehold land is amortised on a straight line basis over the primary period of lease.

Assets on leasehold land i.e. building premises are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule II to the Companies Act, 2013).

##### b. **Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset. Intangible assets are amortised over the estimated useful life not exceeding 5 years.

#### x. *Impairment*

In accordance with AS 28 on 'impairment of assets', other fixed assets (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. 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 or CGU.

Impairment losses are recognised in profit or loss. However, an impairment loss on a revalued asset is recognised directly against any revaluation surplus to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

# Thyrocare Technologies Limited

## **Annexure IV - Notes to Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and year ended 31 March 2015 (Continued)**

### **1 Significant accounting policies (*Continued*)**

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. The impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the profit or loss; however, in the case of revalued assets, the reversal is credited directly to revaluation surplus except to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss.

# Thyrocare Technologies Limited

## Annexure IV - Notes to Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and year ended 31 March 2015 (Continued)

### 1 Significant accounting policies (*Continued*)

#### *xi. Investments*

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current–non-current classification scheme of Schedule III of the Companies Act, 2013.

Long term investments are stated at cost. Provision for diminution in value is made only when in the opinion of the management there is a diminution other than temporary in the carrying value of such investments determined separately for each investment. Current investments are valued at lower of cost and market value.

#### *xii. Leases*

Operating lease payments are recognised as an expense on a straight-line basis over the non cancellable period of the lease term and charged to the Statement of profit and loss unless other systematic basis is more representative of the time pattern of the benefit. Any modifications in respect of lease terms or assumptions are recorded prospectively.

#### *xiii. Foreign exchange transactions*

Foreign exchange transactions are recorded into Indian rupees using the average of the opening and closing spot rates on the dates of the respective transaction. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the Statement of profit and loss of the period.

Monetary items (including long-term monetary items) in foreign currency, which are outstanding as at the year-end are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of profit and loss. Non-monetary foreign currency items are carried at cost.

#### *xiv. Employee benefits*

##### **Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include salary, wages and bonus, compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period of rendering of service by the employees.

##### **Post employment benefits**

###### *Defined contribution plans*

The Group has defined contribution plans for post employment benefits namely Provident Fund. Under the provident fund plan, the Group contributes to a Government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution. The Group makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995 and has no further obligation beyond making the payment to them. The Group's contributions to the above funds are charged to the Statement of profit and loss every year.

###### *Defined benefit plans*

The Group's gratuity benefit scheme are defined benefit plans. The Group's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Groups obligation is performed annually by a qualified actuary using the projected unit credit method.

The Group recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

# Thyrocare Technologies Limited

## Annexure IV - Notes to Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and year ended 31 March 2015 (Continued)

### 1 Significant accounting policies (*Continued*)

#### xiv. *Employee benefits (Continued)*

##### **Other long-term employment benefits**

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

#### xv. *Earnings per share*

Basic EPS is computed by dividing the net profit attributable to shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti dilutive.

#### xvi. *Taxation*

##### **Income tax**

Income tax expense comprises current tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions, in accordance with the Income tax Act, 1961.

##### **Deferred tax**

Deferred tax charge or credit and the corresponding deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/ losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

In accordance with the provisions of Section 115JAA of the Income-tax Act, 1961, the Company is allowed to avail credit equal to the excess of Minimum Alternate Tax (MAT) over normal income tax for the assessment year for which MAT is paid. MAT credit so determined can be carried forward for set-off for ten succeeding assessment years from the year in which such credit becomes allowable. MAT credit can be set-off only in the year in which the Company is liable to pay tax as per the normal provisions of the Income-tax Act, 1961 and such tax is in excess of MAT for that year. Accordingly, MAT credit entitlement is recognized only to the extent there is convincing evidence that the Company will pay normal tax during the specified period.

#### xvii. *Provisions and contingent liabilities*

Provision is recognised in the balance sheet when the Company has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimation can be made of the amount required to settle the obligation. Contingent liabilities arising from claims, litigation, assessment, fines, penalties etc. are disclosed when there is a possible obligation or a present obligation as a result of a past event where it is not probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reasonably estimated. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosures is made.

# Thyrocare Technologies Limited

## Annexure IV - Notes to Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and year ended 31 March 2015 (Continued)

### 2. Impact of material adjustments

The summary of results of restatement made in the audited Standalone financial statements for the respective years and its impact on the profit/(loss) of the Company is as follows :

| (Rs.in million)                                                                                   |                                               |                                     |
|---------------------------------------------------------------------------------------------------|-----------------------------------------------|-------------------------------------|
| Particulars                                                                                       | For the six months ended<br>30 September 2015 | For the year ended<br>31 March 2015 |
| <b>Net profit after tax as per audited consolidated statement of profit and loss</b>              | <b>283.25</b>                                 | <b>452.17</b>                       |
| <b>Adjustments on account of: (refer Note 3 A)</b>                                                |                                               |                                     |
| a) Provision for employee benefits                                                                | <b>13.41</b>                                  | (2.96)                              |
| b) Bad debts written off                                                                          | <b>1.06</b>                                   | -                                   |
| c) Expenses on account of contribution to ESIC                                                    | -                                             | 1.15                                |
| d) Revenue from unutilised advances on expired projects                                           | -                                             | (7.29)                              |
| e) Provision for claims                                                                           | <b>11.23</b>                                  | (1.67)                              |
| Total impact of the adjustments                                                                   | <b>25.70</b>                                  | (10.77)                             |
| f) Short/excess provision of income taxes of earlier years and deferred tax impact on adjustments | <b>(4.10)</b>                                 | 2.01                                |
| Deferred tax impact on adjustments                                                                | <b>(4.56)</b>                                 | 3.09                                |
| <b>Total adjustments</b>                                                                          | <b>17.04</b>                                  | (5.67)                              |
| <b>Net profit after tax, as restated</b>                                                          | <b>300.29</b>                                 | <b>446.50</b>                       |

### 3. Notes on adjustments to the restated consolidated summary statements and other disclosures

#### A) Other material adjustments

**(a) Provision for employee benefits:** Leave encashment and gratuity liability for certain employees were not accrued till financial year 2014-2015. The Company accrued for said liability basis actuarial valuation in current six months period ended 30 September 2015. For the purpose of restatement, the said liability has been adjusted in respective financial years and brought forward balance in the Statement of Profit and Loss as at 1 April 2014.

**(b) Bad debts written off :** For the purpose of restatement, bad debts have been appropriately adjusted in the respective years to which they relate.

**(c) Expenses on account of contribution to ESIC:** For the purpose of restatement, the short payment of ESIC dues for respective financial years are adjusted based on assessment/ inspection/orders.

**(d) Revenue from unutilised advances on expired projects:** For the purpose of restatement, the revenue on account of unutilised advances in relation to expired corporate projects have been recognised in respective financial years during which these projects have expired.

**(e) Provision for claims :** The Subsidiary in relation to a litigation by a vendor during financial year 2012-2013, had recorded a provision aggregating Rs. 10.81 million in financial year 2013-2014. During the six months period ended 30 September 2015, the Subsidiary recorded additional provision on that matter. For the purpose of restatement, the provisions have been adjusted in brought forward balance in Statement of Profit and Loss as at 1 April 2014 and consequent provision for interest charge has been debited to the respective financial year/period.

**(f) Tax impact of the adjustments and deferred tax impact on adjustments :** The Statement of Profit and Loss of some years include amounts paid/ provided for or refunded/ written back, in respect of shortfall/ excess current tax arising upon filing of tax returns, assessments etc. which have now been adjusted in the respective years to which they relate.

Deferred tax has been computed on adjustments made. For the purpose of restatement, the same has now been adjusted in respective years to which the adjustments relate.

#### B) Material Regrouping

Appropriate adjustments have been made in the Restated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the groupings as per the audited financials of the Company as at and for the period ended 30 September 2015.



# Thyrocare Technologies Limited

## Annexure IV - Notes to Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and year ended 31 March 2015 (Continued)

### 4 Contingent liabilities and Capital commitments and other commitments

#### Note A : For the six months period ended 30 September 2015

##### Capital and other commitments

- I) The company has entered into Reagent Rental Arrangements for a year ranging from 2 years to 6 years with some of its major reagent suppliers. As per the terms of the agreement, these reagent suppliers have placed the analysers/ diagnostic equipments at no cost in the processing laboratory. The analysers / diagnostic equipments are programmed by the manufacturers to be used only against the reagent supplier's brand of reagent kits. The commitments as per these arrangements are either purchase commitments or rate commitments based on the workloads. The value of purchase commitments given for the next annual year as per the terms of these arrangements aggregate Rs. 429.13 million. The estimated amount of contracts remaining to be executed on capital account and not provided for towards tangible assets aggregates to Rs. 3.87 million.

##### Contingent liabilities

- II) The promoters of the Company, the Company and the investors had entered into an investment agreement on 24 December 2010 for subscribing to the compulsorily convertible debentures and purchase of equity shares of the company by the investors. Further to this the promoters of the Company, the Company and the investors had entered into an investment agreement on 30 August 2011 for subscribing to the equity shares of New Co (Nueclear Healthcare Limited). The Investment Agreement dated 24th December 2010 was substituted by Share Purchase cum Shareholders Adherence cum Amendment Agreement on 25th September 2012. As per the terms of these subsisting investment agreements the promoters are obliged to honor certain financial and operational commitments during the tenure of these investment agreements such that the existing investors as defined in these agreements yeilds an IRR of at least 18% on their investments of Rs 150 Crore, at the time of exit and the new investors as defined in these agreements, though are not entitled to yield in terms of an IRR are entitled atleast to their investments of Rs 120 Crore, at the time of exit. As per ther terms of the investment agreement dated 24 December 2010, the company has already issued 1,510,000 equity shares in financial year 2014-2015, on converstion of the debentures acquired vide the terms of the agreement at consolidated susbcription amount of Rs. 25 Crore. During the current financial year the management has not come across any instances wherein the said commitments are not achieved. As per the terms of the stated investment agreements, the company and the promoters were obliged to offer an exit to the original investor through conduct of Qualified Initial Public Offering. The stakeholders have unanimously in duly conveyend board meeting approved the extension of the date for conduct of Qualified Initial Public Offering upto 31 December 2015.
- III) The company had received notices in April 2012 dated 30 March 2012 for assessment years 2009-10 and 2010-11, from the income tax department alleging potential liability in connection with alleged failure by the Company to deduct tax at source as determined in the arbitrary order passed by the department received along with the notice. The company had filed an appeal before the CIT (Appeals) against the impugned order. The Company had further filed a stay application against the demand raised as per the said order which was pending for hearing till 31 March 2013. Subsequently the hearing took place in April 2013 and a favourable appellate order was received by the Company in June 2013. During March 2013, the Company received the orders for assessment years 2011-12 and 2012-13 on the same matter. Subsequently in April 2013, the Company has filed adequate reply before the appellate authority. Based on the favourable appellate order received as above, the CIT(Appeals) has passed a favourable order in August 2014 and thereby cancelled the demands raised vide assessing officer order. Meanwhile the company has received intimation of the appeal filed by the department before the ITAT for the assessment year 2009-10 and 2010-11 against the favourable order passed by the CIT (Appeals). The company has already filed before the Tribunal the relevant replies to substantiate the order passed by the CIT (Appeals). The ITAT has passed an order remanding the matter back to the ITO (TDS) for further investigation in light of additional points raised during the course of the ITAT hearing. The company has filed a review application against the stated order of the ITAT however the review application has been rejected by ITAT. Meanwhile the company has filed an appeal before the H'ble High Court against the order of the ITAT, the same is pending for hearing before the H'ble High Court and in view of the managment no provision is considered necessary as at 30 September, 2015.
- IV) The company had received intimations in September 2014 for the period from 03/2012 to 03/2014, from the provident fund office for alleged default in remittances in respect of provident fund and thereby an inquiry u/s 7A of the Act. The company had appeared before the Regional PF Commissioner in pursuance to the report submitted by the adjudicating officer and explained the facts of the case. However, The PF Commissioner has passed an order raising a demand of Rs. 52,27,345/- , rejecting the justification offered by the company on certain alleged non compliances determined by the Enforcement Officer. The company has filed a Review Application before PF Commissioner seeking review of certain findings which were entered into on the basis of the mentioned case laws and mistakes apparent from the records. The Regional PF Commissioner has rejected the Review Application citing reason mentioned therein. The company has filed an appeal before the Tribunal and requested for condonation of delay and stay of the demand raised by the Regional PF commissioner. The appeal is pending for hearing before the Tribunal and in view of the management no provision is considered necessary as at 30 September, 2015.
- V) The company had received notices and bills from Navi Mumbai Municipal Corporation (NMMC) raised on the original owner of the corporate office premises, for outstanding property tax, with retrospective changes in the amount outstanding for the corporate office premises code. The company has in pursuance to the same replied to NMMC seeking clarification to the retrospective changes in the amount of the property tax rates and thereby the demands raised. The company has not received any reply from NMMC for the letters filed from time to time and a writ petition has been filed before the H'ble High Court seeking intervention against the arbitrary assessment of the property tax with retrospective effect for the stated premises code. While the writ petition is pending for hearing before the H'ble High Court, there is still a demand of Rs. 55.06 million shown outstanding against the property code. The company has provided for reasonable property tax due for premises on the basis of the constructed area and the rates charged for the adjucent plot towards property tax. Thereby a claim of Rs. 53.33 million as on September 30, 2015, outstanding as per NMMC for the corporate office premises code has not been acknowledged as debts in the books of the company.

# Thyrocare Technologies Limited

## Annexure IV - Notes to Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and year ended 31 March 2015 (Continued)

### 4 Contingent liabilities and capital commitments (Continued)

#### Note A : For the six months period ended 30 September 2015 (Continued)

##### Contingent liabilities (continued)

- VI) The subsidiary had received a claim of Rs. 18.23 million (including interest of Rs. 3.81 million) from one of its vendors for capital assets with whom the Company had already entered into a full and final settlement arrangement on mutual consent including towards adjustment of dues recoverable from the said vendor on account of delay in execution of the contract. Subsequent to settlement, the vendor had raised claims towards statutory dues and had filed a suit before Civil Court, Thane against the Company. The Company had filed an application for leave to defend which was rejected by Civil Court, Thane and the Company has filed writ petition which is pending before the Hon'ble Bombay High Court. The vendor has given an undertaking before the Hon'ble Bombay High Court that they will not proceed the matter before Thane Civil Court till the writ petition is finally disposed off by the Hon'ble Bombay High Court. Pending final conclusion in this regard, management has made a provision of Rs. 10.81 million being the amount the Company may have to settle based on management's best estimate. During the six months ended 30 September 2015, the Company's management has reassessed the likely implications in the said matter and consequently accrued additional provision of Rs. 12.07 million. The management does not expect the final liability to exceed the amount of the total provision of Rs. 22.89 million recorded in the books of accounts as at 30 September 2015. However the vendor has filed before the Civil Court, Thane for a claim along with interest @ 24% and accordingly claim towards the additional interest to the extent of Rs. 7.28 million is not acknowledged as debts in the books of accounts as on September 30, 2015.

#### Note B: Financial year 2014-2015

##### Capital and other commitments

- I) The company has entered into Reagent Rental Arrangements for a year ranging from 2 years to 6 years with some of its major reagent suppliers. As per the terms of the agreement, these reagent suppliers have placed the analysers/ diagnostic equipments at no cost in the processing laboratory. The analysers / diagnostic equipments are programmed by the manufacturers to be used only against the reagent supplier's brand of reagent kits. The commitments as per these arrangements are either purchase commitments or rate commitments based on the workloads. The value of purchase commitments given for the next annual year as per the terms of these arrangements aggregate Rs. 449.18 million. The estimated amount of contracts remaining to be executed on capital account and not provided for towards tangible assets aggregates to Rs. 249.86 million.

##### Contingent liabilities

- II) The promoters of the Company, the Company and the investors had entered into an investment agreement on 24 December 2010 for subscribing to the compulsorily convertible debentures and purchase of equity shares of the company by the investors. Further to this the promoters of the Company, the Company and the investors had entered into an investment agreement on 30 August 2011 for subscribing to the equity shares of New Co (Nuclear Healthcare Limited). The Investment Agreement dated 24th December 2010 was substituted by Share Purchase cum Shareholders Adherence cum Amendment Agreement on 25th September 2012. As per the terms of these subsisting investment agreements the promoters are obliged to honor certain financial and operational commitments during the tenure of these investment agreements such that the existing investors as defined in these agreements yields an IRR of at least 18% on their investments of Rs 150 Crore, at the time of exit and the new investors as defined in these agreements, though are not entitled to yield in terms of an IRR are entitled atleast to their investments of Rs 120 Crore, at the time of exit. During the current financial year the management has not come across any instances wherein the said commitments are not achieved.

As per the terms of the stated investment agreements, the company and the promoters were obliged to offer an exit to the original investor through conduct of Qualified Initial Public Offering. The stakeholders have unanimously in duly convened board meeting approved the extension of the date for conduct of Qualified Initial Public Offering upto 31 December 2015.

- III) The company had received notices in April 2012 dated 30 March 2012 for assessment years 2009-10 and 2010-11, from the income tax department alleging potential liability in connection with alleged failure by the Company to deduct tax at source as determined in the arbitrary order passed by the department received along with the notice. The company had filed an appeal before the CIT (Appeals) against the impugned order. The Company had further filed a stay application against the demand raised as per the said order which was pending for hearing till 31 March 2013. Subsequently the hearing took place in April 2013 and a favourable appellate order was received by the Company in June 2013. During March 2013, the Company received the orders for assessment years 2011-12 and 2012-13 on the same matter. Subsequently in April 2013, the Company has filed adequate reply before the appellate authority. Based on the favourable appellate order received as above, the CIT(Appeals) has passed a favourable order in August 2014 and thereby cancelled the demands raised vide assessing officer order. Meanwhile the company has received intimation of the appeal filed by the department before the ITAT for the assessment year 2009-10 and 2010-11 against the favourable order passed by the CIT (Appeals). The company has already filed before the Tribunal the relevant replies to substantiate the order passed by the CIT (Appeals). The ITAT has passed an order remanding the matter back to the ITO (TDS) for further investigation in light of additional points raised during the course of the ITAT hearing. The company has filed a review application against the stated order of the ITAT and the company is yet to receive any reply against the review application filed and in view of the management no provision is considered necessary as at 31 March 2015.

- IV) During the previous year, the Company has received a claim of Rs. 18.90 million (including interest of Rs. 4.49 millions) from one of its vendors for capital assets with whom the Company had already entered into a full and final settlement arrangement on mutual consent including towards adjustment of dues recoverable from the said vendor on account of delay in execution of the contract. Subsequent to settlement, the vendor has raised claims towards statutory dues and has filed a suit before Civil Court Thane against the Company. The Company has filed an application for leave to defend which was rejected by Thane Civil Court and the company has filed writ petition which is pending before the Hon'ble Bombay High Court. The vendor has given an undertaking before the Hon'ble Bombay High Court that they will not proceed the matter before Thane Civil Court till the writ petition is finally disposed off by the Hon'ble Bombay High Court. Pending final conclusion in this regard, management has made a provision of Rs. 10.81 million being the amount the company may have to settle based on management's best estimate. Management does not expect the final liability to exceed the amount of the said provision recorded in the books of accounts.



## Thyrocare Technologies Limited

**Annexure IV - Notes to Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and year ended 31 March 2015 (Continued)**

# Thyrocare Technologies Limited

## Annexure IV - Notes to Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and year ended 31 March 2015 (Continued)

### 5 Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on completion of service/leaving the Company, at 15 days salary (last drawn basic salary and dearness allowance) for each completed year of service or part thereof in excess of six months. These benefits are unfunded.

| Particulars                                        | For the six months ended<br>30 September 2015                                                | For the year ended<br>31 March 2015                                                          |
|----------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| <b>Obligations at beginning of the period/year</b> | <b>9.30</b>                                                                                  | 6.46                                                                                         |
| Current service cost                               | 1.25                                                                                         | 1.04                                                                                         |
| Interest cost on defined benefit obligation        | 0.28                                                                                         | 0.41                                                                                         |
| Benefits paid                                      | (0.23)                                                                                       | -                                                                                            |
| Net actuarial (gain) / loss for the period/year    | (0.44)                                                                                       | 1.39                                                                                         |
| <b>Obligations at end of the period/year</b>       | <b>10.16</b>                                                                                 | 9.30                                                                                         |
| <b>Gratuity cost for the period/year</b>           |                                                                                              |                                                                                              |
| Current service cost                               | 1.25                                                                                         | 1.04                                                                                         |
| Interest cost on defined benefit obligation        | 0.29                                                                                         | 0.41                                                                                         |
| Net actuarial (gain) / loss for the year/period    | (0.44)                                                                                       | 1.39                                                                                         |
| <b>Net gratuity cost</b>                           | <b>1.10</b>                                                                                  | 2.84                                                                                         |
| <b>Assumptions</b>                                 |                                                                                              |                                                                                              |
| Discount rate                                      | 7.92%                                                                                        | 7.92%                                                                                        |
| Salary increase                                    | 10.00%                                                                                       | 10.00%                                                                                       |
| Attrition rate                                     | For 2 years and below - 15% p.a. For 3 to 4 years - 5% p.a., For 5 years and above - 2% p.a. | For 2 years and below - 15% p.a. For 3 to 4 years - 5% p.a., For 5 years and above - 2% p.a. |
| Retirement age                                     | 58                                                                                           | 58                                                                                           |

# Thyrocare Technologies Limited

## Annexure IV - Notes to Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash flows for the six months ended 30 September 2015, and year ended 31 March 2015 (Continued)

### 6 Segment reporting

The Group has identified business segments as its primary segment. The Company recognizes its diagnostic testing services activity, manufacturing of radiopharmaceuticals activity and imaging services activity as its primary business segment. Its operations predominantly consist of providing laboratory testing services to its customers, providing diagnostic imaging services including manufacture and sale of radioactive pharmaceuticals to its customers. Income from diagnostic testing services comprises the major portion of primary segmental information set out in these financial statements. Imaging services segment represent PET-CT scan and sale of radio pharmaceuticals used in imaging services. Others represents trading and other related business activities that doesn't qualify as a separate business segment. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst the segment are not allocated to the respective business segments. The Company operates from its centralised laboratory in India and therefore does not have much of its operations in economic environments with different risks and returns, hence considering its operation from single geographical segment, the company has not recognised geographical segment as its secondary segment for reporting. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard 17 on Segment Reporting as notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013.

(Rs.in million)

| Particulars                    | For the six months ended<br>30 September 2015 | For the year ended<br>31 March 2015 |
|--------------------------------|-----------------------------------------------|-------------------------------------|
| <b>Segment Revenue</b>         |                                               |                                     |
| <b>Total revenue</b>           |                                               |                                     |
| Diagnostic Testing Services    | 1,062.30                                      | 1,680.88                            |
| Imaging Services               | 76.20                                         | 51.17                               |
| Others                         | 54.09                                         | 97.54                               |
| <b>Segment revenue</b>         | <b>1,192.59</b>                               | <b>1,829.58</b>                     |
| <b>Segment Results</b>         |                                               |                                     |
| Diagnostic Testing Services    | 457.30                                        | 666.92                              |
| Imaging Services               | (24.48)                                       | (16.53)                             |
| Others                         | 20.65                                         | 31.86                               |
| <b>Segment result</b>          | <b>453.47</b>                                 | <b>682.25</b>                       |
| Unallocable expenditure        | (46.05)                                       | (90.65)                             |
| Other Income                   | 33.57                                         | 73.80                               |
| Taxation                       | (153.49)                                      | (230.68)                            |
| <b>Net profit, as restated</b> | <b>287.50</b>                                 | <b>434.72</b>                       |
| <b>Segment assets</b>          |                                               |                                     |
| Diagnostic Testing Services    | 1,531.70                                      | 1,229.69                            |
| Imaging Services               | 729.91                                        | 730.75                              |
| Others                         | 10.17                                         | 19.80                               |
| Unallocated assets             | 1,149.72                                      | 1,315.43                            |
| <b>Total assets</b>            | <b>3,421.50</b>                               | <b>3,295.67</b>                     |
| <b>Segment liabilities</b>     |                                               |                                     |
| Diagnostic Testing Services    | 133.73                                        | 155.55                              |
| Imaging Services               | 54.61                                         | 27.80                               |
| Others                         | 5.95                                          | 4.64                                |
| Unallocated liabilities        | 628.76                                        | 361.01                              |
| <b>Total liabilities</b>       | <b>823.06</b>                                 | <b>548.99</b>                       |
| <b>Capital expenditure</b>     |                                               |                                     |
| Diagnostic Testing Services    | 111.37                                        | 30.28                               |
| Imaging Services               | 3.25                                          | 63.34                               |
| <b>Total</b>                   | <b>114.62</b>                                 | <b>93.62</b>                        |
| <b>Depreciation</b>            |                                               |                                     |
| Diagnostic Testing Services    | 49.51                                         | 88.82                               |
| Imaging Services               | 36.35                                         | 39.83                               |
| <b>Total</b>                   | <b>85.86</b>                                  | <b>128.65</b>                       |

# Thyrocare Technologies Limited

## Annexure V

### Restated Consolidated Statement of Current and Non current investments

(Rs.in million)

| Particulars                                             | As at             |               |
|---------------------------------------------------------|-------------------|---------------|
|                                                         | 30 September 2015 | 31 March 2015 |
| <b>Non-current investments</b>                          |                   |               |
| <i>Non Trade, unquoted - at cost</i>                    |                   |               |
| Investment in equity shares                             | 16.15             | 16.15         |
|                                                         | <b>16.15</b>      | 16.15         |
| <b>Current investments</b>                              |                   |               |
| <i>Non trade, quoted - at cost</i>                      |                   |               |
| Investments in mutual funds/ preference shares - Quoted | 608.33            | 843.01        |
|                                                         | <b>608.33</b>     | 843.01        |
| Aggregate book value of quoted current investments      | 608.33            | 843.01        |
| Aggregate market value of quoted current investments    | 623.00            | 857.55        |
| Aggregate book value of unquoted current investments    | 16.15             | 16.15         |

#### Notes

1) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and loss and cash flows as appearing in Annexure IV

# Thyrocare Technologies Limited

## Annexure VI

### Restated Consolidated Statement of Inventories

(Rs.in million)

| Particulars                                   | As at             |               |
|-----------------------------------------------|-------------------|---------------|
|                                               | 30 September 2015 | 31 March 2015 |
| <b>Inventories</b>                            |                   |               |
| Reagents, diagnostic material and consumables | 68.45             | 59. 49        |
| Stock in trade (acquired for trading)         | 10.12             | 14. 17        |
|                                               | <u>78.57</u>      | <u>73.66</u>  |

#### Notes

1) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and loss and cash flows as appearing in Annexure IV



# Thyrocare Technologies Limited

## Annexure VII

### Restated Consolidated Statement of Trade Receivables

(Rs.in million)

| Particulars                                                                                                      | As at             |               |
|------------------------------------------------------------------------------------------------------------------|-------------------|---------------|
|                                                                                                                  | 30 September 2015 | 31 March 2015 |
| <b>Trade receivables outstanding for a period exceeding six months from the date they became due for payment</b> |                   |               |
| - Unsecured, considered good                                                                                     | 18.22             | 6.12          |
| <b>Total (A)</b>                                                                                                 | <b>18.22</b>      | <b>6.12</b>   |
| <b>Other trade receivables</b>                                                                                   |                   |               |
| - Secured, considered good                                                                                       | 21.33             | 18.41         |
| - Unsecured, considered good                                                                                     | 21.93             | 24.59         |
| <b>Total (B)</b>                                                                                                 | <b>43.26</b>      | <b>43.00</b>  |
| <b>TOTAL (A+B)</b>                                                                                               | <b>61.48</b>      | <b>49.12</b>  |

#### Note

1) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and loss and cash flows as appearing in Annexure IV

2) Following are the amounts due from the Directors/Promoters/Promoter Group Companies/Group Entities/Relatives of Directors/Holding Company/Subsidiary Company/Fellow Subsidiaries

| Particulars                                                | 30 September 2015 | 31 March 2015 |
|------------------------------------------------------------|-------------------|---------------|
| Thyrocare Gulf Laboratories WLL                            | 24.60             | 18.20         |
| Thyrocare International Holding Company Limited, Mauritius | 0.03              | 0.03          |

3) List of persons/entities classified as 'Promoter', 'Promoter Group Companies' and 'Group Entities' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

# Thyrocare Technologies Limited

## Annexure VIII

### Restated Consolidated Statement of Cash and Bank balances

(Rs.in million)

| Particulars                                                                                                      | As at             |               |
|------------------------------------------------------------------------------------------------------------------|-------------------|---------------|
|                                                                                                                  | 30 September 2015 | 31 March 2015 |
| <b>Cash and bank balances</b>                                                                                    |                   |               |
| Cash and cash equivalents                                                                                        | 1.12              | 0.19          |
| Balances with banks                                                                                              |                   |               |
| in current accounts                                                                                              | 147.68            | 50.56         |
|                                                                                                                  | 148.80            | 50.75         |
| Other bank balances                                                                                              |                   |               |
| in deposit accounts (with original maturity period exceeding 3 months but maturing within 12 months of year end) | 0.50              | -             |
| 30 September 2015 includes Rs. 0.50 million against bank guarantee                                               |                   |               |
|                                                                                                                  | 0.50              | -             |
|                                                                                                                  | 149.30            | 50.75         |

#### Notes

1) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and loss and cash flows as appearing in Annexure IV

# Thyrocare Technologies Limited

## Annexure IX

### Restated Consolidated Statement of Long-term and Short-term loans and advances and Other Non-current and Current assets

(Rs.in million)

| Particulars                                                                                                                                                                                                    | As at             |               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------|
|                                                                                                                                                                                                                | 30 September 2015 | 31 March 2015 |
| <b>Long-term loans and advances</b> ( <i>Unsecured, considered good</i> )                                                                                                                                      |                   |               |
| Advances for capital goods                                                                                                                                                                                     | 3.39              | 51.86         |
| Security deposits                                                                                                                                                                                              |                   |               |
| - To related parties                                                                                                                                                                                           | 33.70             | 33.70         |
| - To parties other than related parties                                                                                                                                                                        | 14.46             | 10.26         |
| Loans and advances to employees benefit trust                                                                                                                                                                  | 0.34              | 0.34          |
| Loan to employees                                                                                                                                                                                              | 0.10              | 0.15          |
| Advance tax and tax deducted at source (net of provision for tax)                                                                                                                                              | 39.65             | 42.46         |
| MAT credit entitlement                                                                                                                                                                                         | 5.17              | 5.17          |
| <b>Total (A)</b>                                                                                                                                                                                               | <b>96.81</b>      | <b>143.94</b> |
| <b>Short-term loans and advances</b>                                                                                                                                                                           |                   |               |
| Security deposits                                                                                                                                                                                              | 0.25              | 0.28          |
| Loan to employees                                                                                                                                                                                              | 0.16              | 0.17          |
| Prepaid expenses                                                                                                                                                                                               | 9.45              | 9.20          |
| Advances for supply of goods and services*                                                                                                                                                                     | 173.99            | 80.32         |
| <b>Total (B)</b>                                                                                                                                                                                               | <b>183.85</b>     | <b>89.97</b>  |
| *Includes Rs. 21.38 million (31 March 2015: Rs. 14.64 million) towards IPO related expenses to be recovered from shareholders whose shares are being offered for sale in the proposed initial public offering. |                   |               |
| <b>Other current assets</b>                                                                                                                                                                                    |                   |               |
| Receivable from sale of current investments                                                                                                                                                                    | 188.49            | -             |
| Interest accrued on deposits                                                                                                                                                                                   | 0.11              | 0.21          |
| <b>Total (C)</b>                                                                                                                                                                                               | <b>188.60</b>     | <b>0.21</b>   |
| <b>Total (A+B+C)</b>                                                                                                                                                                                           | <b>469.26</b>     | <b>234.12</b> |

#### Notes

- 1) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and loss and cash flows as appearing in Annexure IV
- 2) Following are the amounts due from the Directors/Promoters/Promoter Group Companies/Group Entities/Relatives of Directors/Holding Company/Subsidiary Company/Fellow Subsidiaries

| Particulars                          | 30 September 2015 | 31 March 2015 |
|--------------------------------------|-------------------|---------------|
| Sumathi Construction Private Limited | 33.70             | 33.70         |

- 3) List of persons/entities classified as 'Promoter', 'Promoter Group Companies' and 'Group Entities' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.



# Thyrocare Technologies Limited

## Annexure X

### Restated Consolidated Statement of Current and Non-current liabilities and Long-term and Short-term provisions

(Rs.in million)

| Particulars                                                                                                                                                                                          | As at             |               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------|
|                                                                                                                                                                                                      | 30 September 2015 | 31 March 2015 |
| <b>Non-current liabilities</b>                                                                                                                                                                       |                   |               |
| <b>Long-term provisions</b>                                                                                                                                                                          |                   |               |
| Compensated absences                                                                                                                                                                                 | 22.31             | 25.76         |
| Gratuity                                                                                                                                                                                             | 10.06             | 9.21          |
| Provision for claims                                                                                                                                                                                 | 22.88             | 22.05         |
| <b>Total (A)</b>                                                                                                                                                                                     | <b>55.25</b>      | <b>57.02</b>  |
| <b>Other long term liabilities</b>                                                                                                                                                                   |                   |               |
| Trade/ Security deposits received                                                                                                                                                                    | 52.96             | 55.84         |
| Deferred rent                                                                                                                                                                                        | 5.60              | 7.94          |
| <b>Total (B)</b>                                                                                                                                                                                     | <b>58.56</b>      | <b>63.78</b>  |
| <b>Current liabilities</b>                                                                                                                                                                           |                   |               |
| <b>Trade payables</b>                                                                                                                                                                                |                   |               |
| - total outstanding dues of micro enterprises and small enterprises                                                                                                                                  | 0.31              | -             |
| - total outstanding dues of creditors other than micro enterprises and small enterprises                                                                                                             | 24.27             | 8.37          |
| <b>Total (C)</b>                                                                                                                                                                                     | <b>24.58</b>      | <b>8.37</b>   |
| <b>Other current liabilities</b>                                                                                                                                                                     |                   |               |
| <b>Other payables:</b>                                                                                                                                                                               |                   |               |
| Employee dues                                                                                                                                                                                        | 15.08             | 7.97          |
| Statutory dues *                                                                                                                                                                                     | 7.75              | 7.09          |
| Creditors for capital goods                                                                                                                                                                          | 7.86              | 7.36          |
| Advances received from customers                                                                                                                                                                     | 8.59              | 12.37         |
| Trade/Security deposits received                                                                                                                                                                     | 5.21              | 3.49          |
| Expenses payable #                                                                                                                                                                                   | 25.33             | 8.27          |
| Deferred rent                                                                                                                                                                                        | 4.18              | 1.66          |
| <b>Total (D)</b>                                                                                                                                                                                     | <b>74.00</b>      | <b>48.21</b>  |
| * Statutory dues include tax deducted at source, local body tax, profession tax, employees provident fund and ESIC.<br># Expenses payable includes operating, administrative and marketing expenses. |                   |               |
| <b>Short-term provisions</b>                                                                                                                                                                         |                   |               |
| Provision for employee benefits                                                                                                                                                                      |                   |               |
| Provision for bonus                                                                                                                                                                                  | 5.71              | 4.30          |
| Provision for compensated absences                                                                                                                                                                   | 1.90              | 0.96          |
| Provision for gratuity                                                                                                                                                                               | 0.10              | 0.09          |
| Provision for refundable staff security deposits                                                                                                                                                     | 0.90              | 0.82          |
| Other provisions :                                                                                                                                                                                   |                   |               |
| Provision for interim dividend                                                                                                                                                                       | 189.51            | -             |
| Provision for dividend distribution tax payable                                                                                                                                                      | 38.58             | -             |
| Provision for current tax (net of advance tax and tax deducted at source)                                                                                                                            | 26.67             | 5.34          |
| <b>Total (E)</b>                                                                                                                                                                                     | <b>263.37</b>     | <b>11.51</b>  |
| <b>TOTAL (A+B+C+D+E)</b>                                                                                                                                                                             | <b>475.76</b>     | <b>188.89</b> |

#### Notes

1) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and loss and cash flows as appearing in Annexure IV

# Thyrocare Technologies Limited

## Annexure X

### Restated Consolidated Statement of Current and Non-current liabilities and Long-term and Short-term provisions

(Rs.in million)

2) Following are the amounts due to the Directors/Promoters/Promoter Group Companies/Group Entities/Relatives of Directors/Holding Company/Subsidiary Company/Fellow Subsidiaries

| Particulars                                           | 30 September 2015 | 31 March 2015 |
|-------------------------------------------------------|-------------------|---------------|
| Dr. A Velumani                                        | 42.75             | -             |
| A Sundararaju                                         | 1.16              | -             |
| Sumathi Velumani                                      | 2.21              | -             |
| Amruta Velumani                                       | 2.81              | -             |
| Anand Velumani                                        | 3.03              | -             |
| Dr A Velumani HUF                                     | 3.35              | -             |
| A Sundararaju HUF                                     | 9.74              | -             |
| P Arokiaswamy                                         | 0.00*             | -             |
| A Sayamal                                             | 0.00*             | -             |
| Sumathi Infra Projects Private Limited                | 5.91              | -             |
| Mahima Advertising Private Limited                    | 4.73              | -             |
| Thyrocare Properties & Infrastructure Private Limited | 19.57             | -             |
| Thyrocare Publications Private Limited                | 24.50             | -             |
| Sumathi Construction Private Limited                  | 1.01              | -             |

3) List of persons/entities classified as 'Promoter', 'Promoter Group Companies' and 'Group Entities' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

\* Amount less than 0.01 million

# Thyrocare Technologies Limited

## Annexure XI

### Restated Consolidated Statement of Share Capital

(Rs. In million)

| Particulars                                                               | As at             |               |
|---------------------------------------------------------------------------|-------------------|---------------|
|                                                                           | 30 September 2015 | 31 March 2015 |
| <b>Equity shares of Rs 10 each</b>                                        |                   |               |
| Authorized share capital                                                  | <b>1,000.00</b>   | 1,000.00      |
| Issued, subscribed and fully paid-up                                      | <b>505.36</b>     | 505.36        |
| <b>Reconciliation of number of equity shares:</b>                         |                   |               |
| Number of shares at the beginning of the period/year                      | <b>50,535,971</b> | 10,917,519    |
| Add: Shares issued during the year                                        |                   |               |
| on conversion of compulsorily convertible debentures (CCDs)               | -                 | 1,510,000     |
| to employees trust as per terms of employees stock purchase scheme (ESPS) | -                 | 33,650        |
| on issue of bonus equity shares                                           | -                 | 37,383,507    |
| on equity share swap                                                      | -                 | 691,295       |
| Less : Fully paid up shares bought back                                   | -                 | -             |
| Number of shares at the closing of the period/year                        | <b>50,535,971</b> | 50,535,971    |

#### Notes

1) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and loss and cash flows as appearing in Annexure IV

# Thyrocare Technologies Limited

## Annexure XII

### Restated Consolidated Statement of Reserves and Surplus

(Rs.in million)

| Particulars                                                             | As at             |               |
|-------------------------------------------------------------------------|-------------------|---------------|
|                                                                         | 30 September 2015 | 31 March 2015 |
| <b>Capital reserve</b>                                                  |                   |               |
| Opening balance                                                         | 1.06              | 1.06          |
| Add: Received during the year                                           | -                 | -             |
|                                                                         | <b>1.06</b>       | 1.06          |
| <b>Capital redemption reserve</b>                                       |                   |               |
| Opening balance                                                         | -                 | 3.03          |
| Less : Adjusted for issuance of bonus shares                            | -                 | (3.03)        |
|                                                                         | -                 | -             |
| <b>Shares premium account</b>                                           |                   |               |
| Opening balance                                                         | 289.57            | 220.89        |
| Add: Received during the year                                           | -                 | 439.49        |
| Less: Adjusted during the period for issuance of bonus shares           | -                 | (370.81)      |
|                                                                         | <b>289.57</b>     | 289.57        |
| <b>Employee stock option outstanding account</b>                        |                   |               |
| Opening balance                                                         | 8.18              | -             |
| Add : Employee compensation expense for the period/ year                | 7.64              | 8.18          |
|                                                                         | <b>15.82</b>      | 8.18          |
| <b>General reserve</b>                                                  |                   |               |
| Balance as per last balance sheet                                       | 91.67             | 91.67         |
|                                                                         | <b>91.67</b>      | 91.67         |
| <b>Surplus: statement of profit and loss</b>                            |                   |               |
| Opening balance                                                         | 1,850.84          | 1,643.66      |
| Add : Adjustment for restatement of expenses                            | -                 | (22.20)       |
| Less : Adjustment for restatement of revenue                            | -                 | 7.29          |
| Short/excess provision of income taxes of earlier years                 | -                 | 2.09          |
| Deferred tax impact on adjustments                                      | -                 | 1.45          |
| Adjustment due to change in useful life of fixed assets                 | -                 | (5.79)        |
| Add: Net profit after tax transferred from Statement of profit and loss | 300.29            | 446.50        |
| Less: Interim dividend on equity shares                                 | 379.02            | 189.89        |
| Less: Dividend distribution tax                                         | 77.16             | 32.27         |
|                                                                         | <b>1,694.95</b>   | 1,850.84      |
| <b>Total</b>                                                            | <b>2,093.07</b>   | 2,241.32      |

#### Notes

1) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and loss and cash flows as appearing in Annexure IV

# Thyrocare Technologies Limited

## Annexure XIII

### Restated Consolidated Statement of Revenue from operations

(Rs.in million)

| Particulars                              | For the six months ended<br>30 September 2015 | For the year ended<br>31 March 2015 |
|------------------------------------------|-----------------------------------------------|-------------------------------------|
| Sale of products (Refer Note (i) below)  | 61.51                                         | 112.49                              |
| Sale of services (Refer Note (ii) below) | 1,088.68                                      | 1,633.68                            |
|                                          | 1,150.19                                      | 1,746.17                            |
| Other operating revenues                 | 42.41                                         | 83.41                               |
|                                          | 1,192.60                                      | 1,829.58                            |
| <b>Note:</b>                             |                                               |                                     |
| (i) Sale of products comprises :         |                                               |                                     |
| <u>Traded goods</u>                      |                                               |                                     |
| Glucose strips/ Gluco meter              | 13.69                                         | 27.06                               |
| Vials, tubes and kit                     | 17.03                                         | 26.66                               |
| Others                                   | 23.37                                         | 43.82                               |
| <u>Manufactured goods</u>                |                                               |                                     |
| Radioactive pharmaceutical (FDG)         | 7.42                                          | 14.95                               |
| <b>Total</b>                             | 61.51                                         | 112.49                              |
| (ii) Sale of services comprises :        |                                               |                                     |
| Diagnostic/ Imaging Services             | 1,088.68                                      | 1,633.68                            |
| <b>Total</b>                             | 1,088.68                                      | 1,633.68                            |

#### Notes

1) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and loss and cash flows as appearing in Annexure IV

# Thyrocare Technologies Limited

## Annexure XIV

### Restated Consolidated Statement of Other Income

(Rs.in million)

| Particulars                                            | For the six months ended<br>30 September 2015 | For the year ended<br>31 March 2015 | Related/ Not related<br>to business activity |
|--------------------------------------------------------|-----------------------------------------------|-------------------------------------|----------------------------------------------|
| Other income                                           | 33.57                                         | 73.80                               |                                              |
| <b>Sources of other income</b>                         |                                               |                                     |                                              |
| <b>Recurring</b>                                       |                                               |                                     |                                              |
| Interest received                                      | 0.15                                          | 3.40                                | Not related                                  |
| Technical assistance/ Trademark assignment fees        | 0.66                                          | 5.83                                | Not related                                  |
| Dividend income from current investment - Mutual Funds | 13.94                                         | 55.20                               | Not related                                  |
| Net gain on account of foreign exchange fluctuations   | 0.87                                          | -                                   | Not related                                  |
| Gain on sale of current investment (net)               | 11.08                                         | 6.93                                | Not related                                  |
| <b>Non-recurring</b>                                   |                                               |                                     |                                              |
| Profit on sale of fixed assets                         | 0.44                                          | -                                   | Not related                                  |
| Excess provision written back                          | 2.39                                          | -                                   | Not related                                  |
| Miscellaneous income                                   | 4.04                                          | 2.44                                | Not related                                  |
| <b>Total</b>                                           | <b>33.57</b>                                  | <b>73.80</b>                        |                                              |

#### Note

- 1) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and loss and cash flows as appearing in Annexure IV
- 2) The classification of income into recurring and non-recurring is based on the current operations and business activities of the Company



# Thyrocare Technologies Limited

## Annexure XV

### Restated Consolidated Statement of Expenses

(Rs.in million)

| Particulars                                                                                                                        | For the six months ended<br>30 September 2015 | For the year ended<br>31 March 2015 |
|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-------------------------------------|
| <b>Cost of materials consumed</b>                                                                                                  |                                               |                                     |
| Opening stock                                                                                                                      | 59.49                                         | 50.01                               |
| Add: Purchases                                                                                                                     | 329.63                                        | 502.10                              |
|                                                                                                                                    | 389.12                                        | 552.11                              |
| Less: Closing stock                                                                                                                | 68.45                                         | 59.49                               |
| <b>Cost of material consumed</b>                                                                                                   | <b>320.67</b>                                 | <b>492.62</b>                       |
| <b>Purchase of stock-in-trade</b>                                                                                                  |                                               |                                     |
| Glucose strips/ Gluco meter                                                                                                        | 10.30                                         | 25.12                               |
| Others                                                                                                                             | 19.10                                         | 41.58                               |
| <b>Purchase of stock-in-trade</b>                                                                                                  | <b>29.40</b>                                  | <b>66.70</b>                        |
| <b>Changes in inventories of stock-in-trade</b>                                                                                    |                                               |                                     |
| <u>Inventories at the end of the year:</u>                                                                                         |                                               |                                     |
| Glucose strips/ Gluco meter                                                                                                        | 1.55                                          | 3.15                                |
| Others                                                                                                                             | 8.57                                          | 11.02                               |
|                                                                                                                                    | 10.12                                         | 14.17                               |
| <u>Inventories at the beginning of the year:</u>                                                                                   |                                               |                                     |
| Glucose strips/ Gluco meter                                                                                                        | 3.15                                          | 0.77                                |
| Others                                                                                                                             | 11.02                                         | 12.37                               |
|                                                                                                                                    | 14.17                                         | 13.14                               |
| <b>Net change</b>                                                                                                                  | <b>4.05</b>                                   | <b>(1.04)</b>                       |
| <b>Employee benefits expense</b>                                                                                                   |                                               |                                     |
| Salaries, wages and bonus                                                                                                          | 87.48                                         | 136.78                              |
| Contributions to provident and other funds                                                                                         | 7.00                                          | 9.82                                |
| Employees stock compensation expense                                                                                               | 7.64                                          | 8.18                                |
| Gratuity                                                                                                                           | 1.10                                          | 2.84                                |
| Leave encashment                                                                                                                   | -                                             | 16.74                               |
| Staff welfare expenses                                                                                                             | 3.74                                          | 3.42                                |
| <b>Employee benefits expense</b>                                                                                                   | <b>106.97</b>                                 | <b>177.78</b>                       |
| <b>Other expenses</b>                                                                                                              |                                               |                                     |
| Outlab processing                                                                                                                  | 15.40                                         | 24.84                               |
| Power and fuel and water                                                                                                           | 26.39                                         | 39.51                               |
| Rent                                                                                                                               | 24.59                                         | 17.73                               |
| Repairs and maintenance - Buildings                                                                                                | 4.63                                          | 8.24                                |
| Repairs and maintenance - Machinery                                                                                                | 5.42                                          | 7.21                                |
| Repairs and maintenance - Others                                                                                                   | 0.42                                          | 1.62                                |
| Insurance                                                                                                                          | 0.53                                          | 0.62                                |
| Rates and taxes                                                                                                                    | 8.74                                          | 13.07                               |
| Communication                                                                                                                      | 3.14                                          | 5.41                                |
| Service charges                                                                                                                    | 41.62                                         | 63.26                               |
| Postage and courier                                                                                                                | 12.18                                         | 18.08                               |
| Travelling and conveyance                                                                                                          | 1.62                                          | 1.83                                |
| Printing and stationery                                                                                                            | 20.02                                         | 34.24                               |
| Freight and forwarding                                                                                                             | 0.12                                          | 0.18                                |
| Sales incentive                                                                                                                    | 18.66                                         | 49.55                               |
| Advertisement expenses                                                                                                             | 14.78                                         | 21.36                               |
| Accreditation expenses                                                                                                             | 1.59                                          | 1.40                                |
| Business promotion                                                                                                                 | 16.59                                         | 26.89                               |
| Bank charges                                                                                                                       | 2.54                                          | 3.00                                |
| Legal and professional                                                                                                             | 13.83                                         | 15.22                               |
| Payments to auditors (Refer Note below)                                                                                            | 1.22                                          | 2.41                                |
| Loss on fixed assets sold / scrapped / written off                                                                                 | -                                             | 0.17                                |
| Provision for claim                                                                                                                | 0.84                                          | 1.67                                |
| Provision for diminution in value of investment                                                                                    | 1.31                                          | 2.40                                |
| Loss on foreign exchange fluctuation (net)                                                                                         | -                                             | 1.37                                |
| Share issue expenses                                                                                                               | -                                             | 8.64                                |
| Miscellaneous expenses                                                                                                             | 2.07                                          | 3.36                                |
| <b>Other expenses</b>                                                                                                              | <b>238.25</b>                                 | <b>373.28</b>                       |
| <b>Notes:</b>                                                                                                                      |                                               |                                     |
| Payments to the auditors comprises (net of service tax input credit, where applicable):                                            |                                               |                                     |
| Statutory audit                                                                                                                    | 1.11                                          | 2.07                                |
| Tax audit                                                                                                                          | -                                             | 0.15                                |
| Others                                                                                                                             | -                                             | 0.06                                |
| Reimbursement of expenses                                                                                                          | 0.11                                          | 0.12                                |
| Other Services (In connection with filing of offer document with SEBI)*                                                            | 4.01                                          | 3.47                                |
|                                                                                                                                    | <b>5.23</b>                                   | <b>5.86</b>                         |
| *The amount is to be recovered from shareholders whose shares are being offered for sale in the proposed initial public offerings. |                                               |                                     |

#### Notes

1) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and loss and cash flows as appearing in Annexure IV

Thyrocare Technologies Limited

Annexure XVI

Restated Consolidated Statement of Dividend

(Rs. in million, other than share related data)

| Particulars                        | For the six months ended<br>30 September 2015 | For the year ended<br>31 March 2015 |
|------------------------------------|-----------------------------------------------|-------------------------------------|
| Number of fully paid equity shares | 50,535,971                                    | 50,535,971                          |
| Equity share capital               | 505.36                                        | 505.36                              |
| Face value (Rs.)                   | 10.00                                         | 10.00                               |
| Rate of interim dividend %         | 75.00%                                        | 37.58%                              |
| Amount of interim dividend         | 379.02                                        | 189.89                              |

Notes

1) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and loss and cash flows as appearing in Annexure IV



# Thyrocare Technologies Limited

## Annexure XVII

### Restated Consolidated Statement of Related Party Transactions

#### Details of the list of related parties and nature of relationships

| Particulars                                                                                                                                                                          | For the six months ended 30 September 2015                                                                                                                                                                                                                                                                                    | For the year ended 31 March 2015                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key management personnel                                                                                                                                                             | Dr A Velumani - Managing Director<br>Mr A Sundararaju - Director<br>Mrs Sumathi Velumani - Director                                                                                                                                                                                                                           | Dr A Velumani - Managing Director<br>Mr A Sundararaju - Director<br>Mrs Sumathi Velumani - Director                                                                                                                                                                                                                                                                                              |
| Relatives of key management personnel where transactions have taken place                                                                                                            | Dr A Velumani HUF<br>A Sundararaju HUF<br>P Arokiaswamy (father of Dr A Velumani)<br>A Sayamal (mother of Dr A Velumani)<br><br>Mr V Anand - son of Dr A Velumani<br>Mr V Amruta - daughter of Dr A Velumani                                                                                                                  | Dr A Velumani HUF<br>A Sundararaju HUF<br>Dr A Rathinaswamy - brother of Dr A Velumani<br>Mr Rajagopal JK Rao - brother of Mrs Sumathi Velumani<br>Mrs S Susila - sister of Dr A Velumani<br>Bhamini S (wife of A Sundararaju)<br>P Arokiaswamy (father of Dr A Velumani)<br>A Sayamal (mother of Dr A Velumani)<br>Mr V Anand - son of Dr A Velumani<br>Mr V Amruta - daughter of Dr A Velumani |
| Companies over which the key managerial personnel and relatives have control/ significant influence (associates) and with whom transactions have taken place during the period/year. | Thyrocare Properties & Infrastructure Private Limited<br>Thyrocare Publications Private Limited<br>Thyrocare International Holding Company Limited, Mauritius<br><br>Thyrocare Gulf Laboratories WLL<br>Mahima Advertising Private Limited<br>Sumathi Infra Projects Private Limited<br>Sumathi Constructions Private Limited | Thyrocare Properties & Infrastructure Private Limited<br>Thyrocare Publications Private Limited<br>Thyrocare International Holding Company Limited, Mauritius<br><br>Thyrocare Gulf Laboratories WLL<br>Mahima Advertising Private Limited<br>Sumathi Infra Projects Private Limited<br>Sumathi Constructions Private Limited                                                                    |

# Thyrocare Technologies Limited

## Annexure XVII (Continued)

### Restated Consolidated Statement of Related Party Transactions

#### Disclosures of significant transactions with related parties

(Rs.in million)

| Particulars                                                | Entity                                                     | For the six months ended<br>30 September 2015 | For the year ended<br>31 March 2015 |
|------------------------------------------------------------|------------------------------------------------------------|-----------------------------------------------|-------------------------------------|
| <b>Expenses</b>                                            |                                                            |                                               |                                     |
| Rent                                                       | Sumathi Constructions Private Limited                      | 19.11                                         | 37.86                               |
| Expenses incurred on behalf of the company                 | Sumathi Constructions Private Limited                      | 1.01                                          | -                                   |
| <b>Income</b>                                              |                                                            |                                               |                                     |
| Revenue from operations                                    | Thyrocare Gulf Laboratories WLL                            | 6.48                                          | 18.20                               |
| Technical assistance                                       | Thyrocare International Holding Company Limited, Mauritius | 0.66                                          | 0.85                                |
|                                                            | Thyrocare Gulf Laboratories WLL                            | -                                             | 4.99                                |
| <b>Managerial remuneration</b>                             | Dr A Velumani                                              | 4.80                                          | 4.80                                |
|                                                            | Mr A Sundararaju                                           | 2.10                                          | 3.90                                |
| <b>Purchase of assets</b>                                  |                                                            |                                               |                                     |
| Share swap of equity shares of Nueclear Healthcare Limited | Sumathi Infra Projects Private Limited                     | -                                             | 211.50                              |
| <b>Allotment of equity shares</b>                          | Dr A Velumani                                              | -                                             | 9.03                                |
|                                                            | Mr A Sundararaju                                           | -                                             | 0.30                                |
|                                                            | Mrs Sumathi Velumani                                       | -                                             | 0.17                                |
|                                                            | Mr V Anand                                                 | -                                             | 0.04                                |
|                                                            | Ms V Amruta                                                | -                                             | 0.17                                |
|                                                            | Dr A Velumani HUF                                          | -                                             | 0.25                                |
| <b>Dividend paid/ payable</b>                              | Dr A Velumani                                              | 84.36                                         | 42.06                               |
|                                                            | Mr A Sundararaju                                           | 1.79                                          | 0.78                                |
|                                                            | Mrs Sumathi Velumani                                       | 4.42                                          | 2.25                                |
|                                                            | Mr V Anand                                                 | 6.05                                          | 3.08                                |
|                                                            | Ms V Amruta                                                | 5.62                                          | 2.86                                |
|                                                            | Dr A Velumani HUF                                          | 6.70                                          | 3.41                                |
|                                                            | Mrs Bhamini S                                              | -                                             | 0.02                                |
|                                                            | A Sundararaju HUF                                          | 19.47                                         | 9.92                                |
|                                                            | Dr A Rathinaswamy                                          | -                                             | 0.02                                |
|                                                            | Mrs S Susila                                               | -                                             | 0.02                                |
|                                                            | Mr P Arokiaswamy                                           | 0.00*                                         | 0.02                                |
|                                                            | Mrs A Sayamal                                              | 0.00*                                         | 0.02                                |
|                                                            | Sumathi Infra Projects Private Limited                     | 11.82                                         | 3.38                                |
|                                                            | Mahima Advertising Private Limited                         | 9.45                                          | 4.81                                |
|                                                            | Thyrocare Properties & Infrastructure Private Limited      | 39.13                                         | 19.93                               |
|                                                            | Thyrocare Publications Private Limited                     | 49.01                                         | 24.96                               |

\* Amount less than 0.01 million

# Thyrocare Technologies Limited

## Annexure XVII (Continued)

### Restated Consolidated Statement of Related Party Transactions

#### Details of related parties outstanding balances

(Rs.in million)

| Particulars                    | Entity                                                        | For the six months ended<br>30 September 2015 | For the year ended<br>31 March 2015 |
|--------------------------------|---------------------------------------------------------------|-----------------------------------------------|-------------------------------------|
| <b>Expenses payable</b>        | Sumathi Construction Private Limited                          | <b>1.01</b>                                   | -                                   |
| <b>Receivables</b>             | Thyrocare International Holding Company Limited,<br>Mauritius | <b>0.03</b>                                   | 0.03                                |
|                                | Thyrocare Gulf Laboratories WLL                               | <b>24.59</b>                                  | 18.19                               |
| <b>Remuneration payable</b>    | Dr A Velumani                                                 | <b>0.57</b>                                   | -                                   |
|                                | Mr A Sundararaju                                              | <b>0.26</b>                                   | -                                   |
| <b>Security deposits given</b> | Sumathi Construction Private Limited                          | <b>33.70</b>                                  | 33.70                               |
| <b>Investment</b>              |                                                               |                                               |                                     |
| Equity shares                  | Thyrocare International Holding Co Mauritius                  | <b>16.15</b>                                  | 16.15                               |
| <b>Dividend payable</b>        | Dr A Velumani                                                 | <b>42.18</b>                                  | -                                   |
|                                | Mr A Sundararaju                                              | <b>0.90</b>                                   | -                                   |
|                                | Mrs Sumathi Velumani                                          | <b>2.21</b>                                   | -                                   |
|                                | Mr V Anand                                                    | <b>3.03</b>                                   | -                                   |
|                                | Ms V Amruta                                                   | <b>2.81</b>                                   | -                                   |
|                                | Dr A Velumani HUF                                             | <b>3.35</b>                                   | -                                   |
|                                | A Sundararaju HUF                                             | <b>9.74</b>                                   | -                                   |
|                                | Mr P Arokiaswamy                                              | <b>0.00*</b>                                  | -                                   |
|                                | Mrs A Sayamal                                                 | <b>0.00*</b>                                  | -                                   |
|                                | Sumathi Infra Projects Private Limited                        | <b>5.91</b>                                   | -                                   |
|                                | Mahima Advertising Private Limited                            | <b>4.73</b>                                   | -                                   |
|                                | Thyrocare Properties & Infrastructure Private Limited         | <b>19.57</b>                                  | -                                   |
|                                | Thyrocare Publications Private Limited                        | <b>24.50</b>                                  | -                                   |

\* Amount less than 0.01 million

#### Notes

1) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and loss and cash flows as appearing in Annexure IV

# Thyrocare Technologies Limited

## Annexure - XVIII

### Capitalisation statement

(Rs.in million)

| Particulars                                    | Pre-issue as at<br>30 September 2015 | Post issue (As adjusted for<br>IPO) |
|------------------------------------------------|--------------------------------------|-------------------------------------|
| Short term debt                                | -                                    |                                     |
| Long term debt                                 | -                                    |                                     |
| <b>Total debt (A)</b>                          | -                                    |                                     |
| <b>Shareholders' funds</b>                     |                                      |                                     |
| Share capital                                  | 505.36                               | Refer Note 2 below                  |
| Reserves and surplus                           | 2,093.07                             |                                     |
| <b>Total shareholders' funds (B)</b>           | 2,598.43                             |                                     |
| <b>Long term debt/Shareholder' funds (A/B)</b> | -                                    |                                     |

- Note:**
1. The figures disclosed above are based on the restated consolidated financial information of the Company.
  2. The Post issue debt equity ratio will be computed on the conclusion of the book building process.

# Thyrocare Technologies Limited

## Annexure XIX

### Restated Consolidated Statement of Accounting Ratios

| Particulars                                                                 | For the six months ended<br>30 September 2015 | For the year ended<br>31 March 2015 |
|-----------------------------------------------------------------------------|-----------------------------------------------|-------------------------------------|
| Net worth (A)                                                               | 2,598.43                                      | 2,746.68                            |
| Net profit after tax attributable to equity shareholders (B)                | 300.29                                        | 446.50                              |
| Weighted average number of equity shares outstanding during the period/year |                                               |                                     |
| For basic earnings per share (C)                                            | 50,535,971                                    | 49,492,288                          |
| For diluted earnings per share (D)                                          | 50,576,405                                    | 49,492,288                          |
| Earnings per share Rs. 10 each (refer note )                                |                                               |                                     |
| Basic earnings per share (Rs) (E = B/C)                                     | 5.94                                          | 9.02                                |
| Diluted earnings per share (Rs) (F = B/D)                                   | 5.94                                          | 9.02                                |
| Return on net worth (%) (G = B/A)                                           | 12%                                           | 16%                                 |
| Number of equity shares outstanding at the end of the period / year (H)     | 50,535,971                                    | 50,535,971                          |
| Net assets value per equity share of Rs 10 each (I = A/H)                   | 51.42                                         | 54.35                               |
| Face value (Rs)                                                             | 10                                            | 10                                  |

Notes:

1. The above ratios are calculated as under:

a) Earnings per share = Net profit after tax attributable to equity shareholders / weighted average number of equity shares outstanding during the period/year

b) Return on net worth (%) = Net profit after tax / net worth as at the end of year

c) Net asset value per equity share (Rs) = Net worth as at the end of the period / Total number of equity shares as at the end of period/year

2. The figures disclosed above are based on the restated consolidated financial information of Thyrocare Technologies Limited.

3. Earnings per share calculations are done in accordance with Accounting Standard 20 “Earnings Per Share” (“AS 20”) as notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

4. Ratios for six months period ended 30 September 2015 is not annualised

5. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and loss and cash flows as appearing in Annexure IV

The Board of Directors  
Nuclear Healthcare Limited  
D-37/1, MIDC, Turbhe, Opp. Sandoz  
Navi Mumbai 400 703  
INDIA

Dear Sirs

We have examined the attached restated summary financial information of Nuclear Healthcare Limited (“the Company”) as approved by the Board of Directors of the Company on 24 December 2015, prepared by the management of the Company in terms of the requirements of Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the ‘SEBI Regulations’), the Guidance Note on ‘Reports in Company’s Prospectus (Revised)’ issued by the Institute of Chartered Accountants of India (‘ICAI’) to the extent applicable (‘Guidance Note’), and in terms of our engagement agreed with you in accordance with our engagement letter dated 7 December 2015 in connection with the proposed issue of Equity Shares of the parent company i.e. Thyrocare Technologies Limited by way of an offer for sale by the selling shareholders.

These restated summary financial information have been extracted by the Management from the Company’s audited financial statements for the six months period ended 30 September 2015 and for the years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011. We have audited the financial statements of the Company for the six months period ended 30 September 2015. The financial statements for years ended 31 March 2015 and 31 March 2014 were audited by M/s B S R and Co, Chartered Accountants and reliance has been placed on the financial statements audited by them and the financial reports included for these years i.e., for the years ended 31 March 2015 and 31 March 2014 are based solely on the report submitted by them. M/s B S R and Co and M/s B S R & Co. LLP are member entities of B S R & Associates, a network, registered with the Institute of Chartered Accountants of India. The financial statements for the years ended 31 March 2013 and 31 March 2012 were audited by M Chinnaswamy, Chartered Accountant and reliance has been placed on the financial statements audited by them and the financial reports included for the years ended 31 March 2013 and 31 March 2012 are based solely on the report submitted by them. The financial statements for the year ended 31 March 2011 was audited by M/s S D Khanolkar & Co, audited by them and the financial report included for the year ended 31 March 2011 is based solely on the report submitted by them.

- 1 In accordance with the requirements of Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations; the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we further report that:

- a) The Restated Summary Statement of Assets and Liabilities as at 30 September 2015, 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011, examined by us, as set out in Annexure I to this report read with the significant accounting policies in Annexure IV are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes to the Restated Summary Financial Information enclosed as Annexure IV to this report. For the six months period ended 30 September 2015 reliance has been placed on the financial statements audited by us, for the years ended 31 March 2015 and 31 March 2014 reliance has been placed by us on the financial statements audited by M/s B S R and Co, Chartered Accountants, for the years ended 31 March 2013 and 31 March 2012 reliance has been placed by us on the financial statements audited by M Chinnaswamy, Chartered Accountant and for the year ended 31 March 2011 reliance has been placed by us on the financial statements audited by M/s S D Khanolkar & Co, Chartered Accountants. As a result of these adjustments, the amounts reported in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years/period.
- b) The Restated Summary Statement of Profit and Loss of the Company for the six months period ended 30 September 2015 and for the years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 as set out in Annexure II to this report read with the significant accounting policies in Annexure IV are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes to the Restated Summary Financial Information enclosed as Annexure IV to this report. For the six months period ended 30 September 2015 reliance has been placed on the financial statements audited by us, for the years ended 31 March 2015 and 31 March 2014 reliance has been placed by us on the financial statements audited by M/s B S R and Co, Chartered Accountants, for the years ended 31 March 2013 and 31 March 2012 reliance has been placed by us on the financial statements audited by M Chinnaswamy, Chartered Accountant and for the year ended 31 March 2011 reliance has been placed by us on the financial statements audited by M/s S D Khanolkar & Co, Chartered Accountants. As a result of these adjustments, the amounts reported in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years/period.
- c) The Restated Summary Statement of Cash Flows of the Company for the six months period ended 30 September 2015 and for the years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 as set out in Annexure III to this report read with the significant accounting policies in Annexure IV are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes to the Restated Summary Financial Information enclosed as Annexure IV to this report. For the six months period ended 30 September 2015 reliance has been placed on the financial statements audited by us, for the years ended 31 March 2015 and 31 March 2014 reliance has been placed by us on the financial statements audited by M/s B S R and Co, Chartered Accountants, for the years ended 31 March 2013 and 31 March 2012 reliance has been placed by us on the financial statements audited by M Chinnaswamy, Chartered Accountant and for the year ended 31 March 2011 reliance has been placed by us on the financial statement audited by M/s S D Khanolkar & Co, Chartered Accountants. As a result of these adjustments, the amounts reported in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years/period.



- 2 Based on the above, and based on the reliance placed on the financial statements audited by M/s B S R and Co, Chartered Accountants, for the years ended 31 March 2015 and 31 March 2014, M Chinnaswamy, Chartered Accountant, for the years ended for 31 March 2013 and 31 March 2012 and by M/s S D Khanolkar & Co, Chartered Accountants, for the year ended 31 March 2011, we are of the opinion that the Restated Summary Financial Information:
- i) has been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods based on the significant accounting policies adopted by the Company as at 30 September 2015;
  - ii) has been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate to; and
  - iii) do not contain any extra-ordinary items that need to be disclosed separately other than those presented in the Restated Summary Financial Information and do not contain any qualifications requiring adjustments.
- 3 We have also examined the following restated summary financial information as set out in the Annexures prepared by the management of the Company and approved by the Board of Directors on 24 December 2015, relating to the Company for the six months period ended 30 September 2015 and for the years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011.
- i) Restated Statement of Current and Non-Current Investments, included in Annexure V;
  - ii) Restated Statement of Inventories, included in Annexure VI;
  - iii) Restated Statement of Trade receivables, included in Annexure VII;
  - iv) Restated Statement of Cash and Bank Balances, included in Annexure VIII;
  - v) Restated Statement of Long-term and Short-term Loan and Advances and Other Non-Current and Current Assets, included in Annexure IX;
  - vi) Restated Statement of Short-term Borrowings, included in Annexure X;
  - vii) Restated Statement of Current and Non-Current Liabilities and Long-term and Short-term Provisions, included in Annexure XI;
  - viii) Restated Statement of Share Capital, included in Annexure XII;
  - ix) Restated Statement of Reserves and Surplus, included in Annexure XIII;
  - x) Restated Statement of Revenue from Operations, included in Annexure XIV;
  - xi) Restated Statement of Other Income, included in Annexure XV;
  - xii) Restated Statement of Expenses, included in Annexure XVI;
  - xiii) Restated Statement of Dividend, included in Annexure XVII;
  - xiv) Restated Statement of Related Party Transactions, included in Annexure XVIII;
  - xv) Restated Statement of Accounting Ratios, included in Annexure XIX.



- 4 This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or other firms of Chartered Accountants, nor should this report be construed as an opinion on any of the financial statements referred to herein.
- 5 We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above restated summary financial information contained in Annexure I to Annexure XIX accompanying this report read along with the Significant Accounting Policies and Notes to Restated Summary Financial Information (Refer Annexure IV) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable, SEBI Regulations, the Guidance note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement as agreed with you.
- 6 Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of Equity Shares of the parent company i.e. Thyrocare Technologies Limited by way of an offer for sale by the selling shareholders. Our report should not be used, referred to or distributed for any other purpose except with our consent in writing.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Sadashiv Shetty**

*Partner*

Membership No: 048648

Mumbai  
24 December 2015

# Nuclear Healthcare Limited

## Annexure I

### Restated Summary Statement of Assets and Liabilities

(Rs. in million)

| Particulars                           | As at             |                 |               |                 |               |               |
|---------------------------------------|-------------------|-----------------|---------------|-----------------|---------------|---------------|
|                                       | 30 September 2015 | 31 March 2015   | 31 March 2014 | 31 March 2013   | 31 March 2012 | 31 March 2011 |
| <b>Equity and liabilities</b>         |                   |                 |               |                 |               |               |
| <b>Shareholders' funds</b>            |                   |                 |               |                 |               |               |
| Share capital                         | 111.11            | 111.11          | 111.11        | 111.11          | 100.00        | 0.50          |
| Share application (pending allotment) | -                 | -               | -             | -               | -             | 419.50        |
| Reserves and surplus                  | 725.77            | 744.33          | 817.04        | 907.27          | 699.74        | (0.59)        |
|                                       | <b>836.88</b>     | <b>855.44</b>   | <b>928.15</b> | <b>1,018.38</b> | <b>799.74</b> | <b>419.41</b> |
| <b>Non-current liabilities</b>        |                   |                 |               |                 |               |               |
| Other long term liabilities           | 7.14              | 9.67            | 8.93          | 8.59            | -             | -             |
| Deferred tax liability (net)          | -                 | -               | -             | 2.23            | -             | -             |
| Long-term provisions                  | 23.63             | 22.98           | 20.56         | 18.83           | -             | -             |
|                                       | <b>30.77</b>      | <b>32.65</b>    | <b>29.49</b>  | <b>29.65</b>    | <b>-</b>      | <b>-</b>      |
| <b>Current liabilities</b>            |                   |                 |               |                 |               |               |
| Short-term borrowings                 | -                 | -               | -             | -               | 165.42        | -             |
| Trade payables                        | 9.00              | 0.15            | 1.51          | 0.33            | -             | -             |
| Other current liabilities             | 121.15            | 124.83          | 27.66         | 6.78            | 15.31         | 0.09          |
| Short-term provisions                 | 0.68              | 0.58            | 0.50          | 0.08            | -             | -             |
|                                       | <b>130.83</b>     | <b>125.56</b>   | <b>29.67</b>  | <b>7.19</b>     | <b>180.73</b> | <b>0.09</b>   |
| <b>Total</b>                          | <b>998.48</b>     | <b>1,013.65</b> | <b>987.31</b> | <b>1,055.22</b> | <b>980.48</b> | <b>419.50</b> |
| <b>Assets</b>                         |                   |                 |               |                 |               |               |
| <b>Non-current assets</b>             |                   |                 |               |                 |               |               |
| <b>Fixed assets</b>                   |                   |                 |               |                 |               |               |
| Tangible assets                       | 630.68            | 661.74          | 570.72        | 554.25          | 620.54        | -             |
| Intangible assets                     | 18.69             | 20.77           | -             | -               | -             | -             |
| Capital work-in-progress              | 0.67              | 0.57            | 59.48         | 46.22           | 0.02          | 0.02          |
| Long-term loans and advances          | 47.27             | 107.44          | 46.68         | 67.09           | 211.95        | 252.81        |
| Deferred tax asset (net)              | -                 | -               | -             | -               | 3.26          | 0.30          |
|                                       | <b>697.31</b>     | <b>790.52</b>   | <b>676.88</b> | <b>667.56</b>   | <b>835.77</b> | <b>253.13</b> |
| <b>Current assets</b>                 |                   |                 |               |                 |               |               |
| Current investments                   | 215.95            | 206.06          | 280.23        | 356.16          | -             | -             |
| Inventories                           | 5.57              | 3.17            | 0.23          | 0.69            | -             | -             |
| Trade receivables                     | 15.29             | 2.65            | 0.06          | -               | -             | -             |
| Cash and bank balances                | 11.15             | 7.89            | 8.51          | 30.09           | 7.71          | 1.36          |
| Short-term loans and advances         | 53.11             | 3.15            | 21.19         | 0.51            | 137.00        | 165.01        |
| Other current assets                  | 0.10              | 0.21            | 0.21          | 0.21            | -             | -             |
|                                       | <b>301.17</b>     | <b>223.13</b>   | <b>310.43</b> | <b>387.66</b>   | <b>144.71</b> | <b>166.37</b> |
| <b>Total</b>                          | <b>998.48</b>     | <b>1,013.65</b> | <b>987.31</b> | <b>1,055.22</b> | <b>980.48</b> | <b>419.50</b> |

The above statement should be read with the Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Summary Financial Information, appearing in Annexure V to Annexure XIX and Statement of Adjustments to Audited Financial Statements, appearing in Annexure IV.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

Nuclear Healthcare Limited

**Sadashiv Shetty**

Partner

Membership No: 048648

**Dr. A Velumani**

Managing Director

DIN - 00002804

**A Sundararaju**

Director

DIN - 00003260

**Bharatkumar Dama**

Company Secretary

Membership No - A39698

Mumbai

24 December 2015

Mumbai

24 December 2015

Mumbai

24 December 2015

# Nuclear Healthcare Limited

## Annexure II

### Restated Summary Statement of Profit and Loss

(Rs. in million)

| Particulars                                                   | For the six months ended | For the years ended |                |                |               |               |
|---------------------------------------------------------------|--------------------------|---------------------|----------------|----------------|---------------|---------------|
|                                                               | 30 September 2015        | 31 March 2015       | 31 March 2014  | 31 March 2013  | 31 March 2012 | 31 March 2011 |
| <b>Revenue</b>                                                |                          |                     |                |                |               |               |
| Revenue from operations                                       | 73.07                    | 96.48               | 23.11          | 0.34           | 0.27          | -             |
| Other income                                                  | 11.10                    | 11.28               | 16.40          | 10.51          | 14.21         | -             |
| <b>Total revenue</b>                                          | <b>84.17</b>             | <b>107.76</b>       | <b>39.51</b>   | <b>10.85</b>   | <b>14.48</b>  | <b>-</b>      |
| <b>Expenses</b>                                               |                          |                     |                |                |               |               |
| Cost of materials consumed                                    | 13.22                    | 30.81               | 6.82           | 0.35           | -             | -             |
| Employee benefits expense                                     | 6.98                     | 13.80               | 9.61           | 2.28           | -             | -             |
| Finance cost                                                  | -                        | -                   | -              | 6.51           | 8.28          | -             |
| Depreciation and amortisation                                 | 36.34                    | 57.43               | 39.47          | 22.37          | 3.96          | -             |
| Other expenses                                                | 46.18                    | 78.43               | 76.08          | 56.83          | 4.87          | 0.89          |
| <b>Total</b>                                                  | <b>102.72</b>            | <b>180.47</b>       | <b>131.98</b>  | <b>88.34</b>   | <b>17.11</b>  | <b>0.89</b>   |
| <b>Profit/ (loss) before exceptional items and tax</b>        | <b>(18.55)</b>           | <b>(72.71)</b>      | <b>(92.47)</b> | <b>(77.49)</b> | <b>(2.63)</b> | <b>(0.89)</b> |
| <b>Exceptional item</b>                                       |                          |                     |                |                |               |               |
| Gain on sale of land and building                             | -                        | -                   | -              | 79.61          | -             | -             |
| <b>Profit / (loss) after exceptional items and before tax</b> | <b>(18.55)</b>           | <b>(72.71)</b>      | <b>(92.47)</b> | <b>2.12</b>    | <b>(2.63)</b> | <b>(0.89)</b> |
| Tax expense:                                                  |                          |                     |                |                |               |               |
| Current tax                                                   | -                        | -                   | -              | 0.18           | 0.25          | -             |
| Less : MAT credit entitlement                                 | -                        | -                   | -              | -              | (0.25)        | -             |
| Deferred tax (charge) / benefit                               | -                        | -                   | (2.23)         | 5.50           | (2.96)        | (0.30)        |
|                                                               | -                        | -                   | (2.23)         | 5.68           | (2.96)        | (0.30)        |
| <b>Net profit / (loss) after tax, as restated</b>             | <b>(18.55)</b>           | <b>(72.71)</b>      | <b>(90.24)</b> | <b>(3.56)</b>  | <b>0.33</b>   | <b>(0.59)</b> |

The above statement should be read with the Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Summary Financial Information, appearing in Annexure V to Annexure XIX and Statement of Adjustments to Audited Financial Statements, appearing in Annexure IV.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
Nuclear Healthcare Limited

**Sadashiv Shetty**

Partner

Membership No: 048648

**Dr. A Velumani**

Managing Director

DIN - 00002804

**A Sundararaju**

Director

DIN - 00003260

**Bharatkumar Dama**  
Company Secretary  
Membership No - A39698

Mumbai

24 December 2015

Mumbai

24 December 2015

Mumbai

24 December 2015

# Nuclear Healthcare Limited

## Annexure III

### Restated Summary Statement of Cash Flows

(Rs. in million)

| Particulars                                                             | For the six months ended | For the years ended |                |                |                 |                 |
|-------------------------------------------------------------------------|--------------------------|---------------------|----------------|----------------|-----------------|-----------------|
|                                                                         | 30 September 2015        | 31 March 2015       | 31 March 2014  | 31 March 2013  | 31 March 2012   | 31 March 2011   |
| <b>Cash flow from operating activities</b>                              |                          |                     |                |                |                 |                 |
| Net profit/(loss) before tax                                            | (₹ 8.55)                 | (72.71)             | (₹ 2.47)       | 212            | (2.63)          | (0.89)          |
| <u>Adjustments for:</u>                                                 |                          |                     |                |                |                 |                 |
| Depreciation and amortisation                                           | 3634                     | 5743                | 3947           | 2237           | 396             | -               |
| Interest expenses                                                       | -                        | -                   | -              | 651            | 828             | -               |
| Interest income                                                         | (0.14)                   | (0.24)              | (4.01)         | (4.33)         | (4.18)          | -               |
| Excess provision written back                                           | (0.30)                   | -                   | -              | -              | -               | -               |
| Provision for claims                                                    | (84)                     | 167                 | 167            | 1872           | -               | -               |
| (Profit)/ loss on sale of current investments (net)                     | (6.53)                   | (0.00)              | 155            | -              | -               | -               |
| Profit on sale of fixed assets (net)                                    | -                        | -                   | -              | (79.61)        | -               | -               |
| Provision for diminution in value of investment                         | (27)                     | -                   | -              | -              | -               | -               |
| Dividend income from current investments                                | (4.61)                   | (10.63)             | (12.31)        | (6.16)         | -               | -               |
| Operating cash flow before working capital changes                      | <b>8.32</b>              | <b>(24.49)</b>      | <b>(66.10)</b> | <b>(40.38)</b> | <b>(4.57)</b>   | <b>(0.89)</b>   |
| (Increase)/decrease in inventories                                      | (2.40)                   | (2.95)              | 046            | (0.69)         | -               | -               |
| (Increase) in trade receivables                                         | (2.64)                   | (2.59)              | (0.06)         | -              | -               | -               |
| (Increase)/decrease in loans and advances                               | 1172                     | 652                 | (21.02)        | (21.99)        | (19.99)         | (0.01)          |
| Increase/(decrease) in other liabilities                                | (6.83)                   | (19.60)             | 2123           | 006            | 1522            | 010             |
| Increase/(decrease) in provisions                                       | (0.38)                   | 084                 | 047            | 020            | -               | -               |
| Increase/(decrease) in trade payables                                   | 885                      | (1.36)              | 118            | 033            | -               | -               |
| Cash generated from operations                                          | <b>7.64</b>              | <b>(43.62)</b>      | <b>(63.84)</b> | <b>(62.48)</b> | <b>(9.34)</b>   | <b>(0.80)</b>   |
| Income taxes paid / (refund)                                            | (1.28)                   | 037                 | 080            | (8.75)         | (1.44)          | -               |
| <b>Net cash flows from / (used in) operating activities (A)</b>         | <b>6.36</b>              | <b>(43.24)</b>      | <b>(63.04)</b> | <b>(71.23)</b> | <b>(10.78)</b>  | <b>(0.80)</b>   |
| <b>Cash flow from investing activities</b>                              |                          |                     |                |                |                 |                 |
| Purchase of fixed assets, capital work in progress and capital advances | (8.34)                   | (42.41)             | (48.45)        | (405.29)       | (582.22)        | (252.84)        |
| Proceeds from sale of fixed assets                                      | -                        | -                   | -              | 67751          | -               | -               |
| Loans given                                                             | -                        | -                   | -              | -              | -               | (165.00)        |
| Loans repaid                                                            | -                        | -                   | -              | 11700          | 4800            | -               |
| Purchases of current investments                                        | (5.53)                   | (5.00)              | (560.00)       | (556.16)       | -               | -               |
| Proceeds from sale of current investments                               | 5091                     | 16917               | 63359          | -              | -               | -               |
| Dividend income from current investments                                | 461                      | 1063                | 1231           | 616            | -               | -               |
| Interest received                                                       | (25)                     | 024                 | 401            | 412            | 1421            | -               |
| <b>Net cash flows from / (used in) investing activities (B)</b>         | <b>(3.11)</b>            | <b>42.63</b>        | <b>41.46</b>   | <b>43.34</b>   | <b>(520.01)</b> | <b>(417.84)</b> |
| <b>Cash flow from financing activities</b>                              |                          |                     |                |                |                 |                 |
| Issue of share capital                                                  | -                        | -                   | -              | 1111           | (320.00)        | 050             |
| Proceeds from share application (pending allotment)                     | -                        | -                   | -              | -              | -               | 41950           |
| Proceeds from share premium                                             | -                        | -                   | -              | 21109          | 70000           | -               |
| Proceeds from short term borrowings                                     | -                        | -                   | -              | -              | 16542           | -               |
| Repayment of short term borrowings                                      | -                        | -                   | -              | (165.42)       | -               | -               |
| Interest expense                                                        | -                        | -                   | -              | (6.51)         | (8.28)          | -               |
| <b>Net cash flows from financing activities (C)</b>                     | <b>-</b>                 | <b>-</b>            | <b>-</b>       | <b>50.27</b>   | <b>537.14</b>   | <b>420.00</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>     | <b>3.27</b>              | <b>(0.62)</b>       | <b>(21.58)</b> | <b>22.38</b>   | <b>6.35</b>     | <b>1.36</b>     |
| Cash and cash equivalents at the beginning of the period/year           | 7.89                     | 8.51                | 30.09          | 7.71           | 1.36            | -               |
| Cash and cash equivalents at the end of the period/year                 | <b>11.15</b>             | <b>7.89</b>         | <b>8.51</b>    | <b>30.09</b>   | <b>7.71</b>     | <b>1.36</b>     |
| <b>Notes to cash flow statement</b>                                     |                          |                     |                |                |                 |                 |
| Cash and cash equivalents at the end of the period/year                 |                          |                     |                |                |                 |                 |
| Cash on hand                                                            | 0.02                     | 0.19                | 0.01           | -              | 0.04            | -               |
| Balances with banks                                                     | 11.13                    | 7.70                | 8.50           | 30.09          | 7.67            | 1.36            |
| (i) In current accounts                                                 |                          |                     |                |                |                 |                 |
|                                                                         | <b>11.15</b>             | <b>7.89</b>         | <b>8.51</b>    | <b>30.09</b>   | <b>7.71</b>     | <b>1.36</b>     |

# Nuclear Healthcare Limited

## Annexure III (Continued)

### Restated Summary Statement of Cash Flows (Continued)

#### Notes :

The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statement".

The above statement should be read with the Significant Accounting Policies, appearing in Annexure IV; Notes to the Restated Summary Financial Information, appearing in Annexure V to Annexure XIX and Statement of Adjustments to Audited Financial Statements, appearing in Annexure IV.

As per our report of even date attached.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
**Nuclear Healthcare Limited**

**Sadashiv Shetty**  
Partner  
Membership No: 048648

**Dr. A Velumani**  
Managing Director  
DIN - 00002804

**A Sundararaju**  
Director  
DIN - 00003260

**Bharatkumar Dama**  
Company Secretary  
Membership No - A39698

Mumbai  
24 December 2015

Mumbai  
24 December 2015

Mumbai  
24 December 2015

# Nuclear Healthcare Limited

## Annexure IV

### Notes to restated Summary Statements of Assets and Liabilities, Statement of Profit and Loss and Cash Flows for the six months ended 30 September 2015 and years ended 31 March 2015, 2014, 2013, 2012 and 2011.

#### 1. Basis of Preparation and Significant Accounting Policies

##### Company overview

Nuclear Healthcare Limited is a diagnostic imaging healthcare company. Nuclear Healthcare Limited is engaged in providing low cost and high quality nuclear medicine diagnostic solutions to cancer patients with a nationwide network of medical cyclotrons and PET-CT centers.

##### i. Basis of preparation

The restated summary statement of assets and liabilities, of the Company as at 30 September 2015, 31 March 2015, 2014, 2013, 2012 and 2011 and the restated summary statement of profit and loss, and the restated summary statement of cash flows, for the six months period ended 30 September 2015, years ended 31 March 2015, 2014, 2013, 2012 and 2011 and Other Financial Information ("Collectively referred to as "Restated Summary Financial Information") have been derived by the Management from the then Audited Financial Statements of the Company for the corresponding years. These Restated Summary Financial Information have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering of parent company i.e. Thyrocare Technologies Limited by way of an offer for sale by the existing shareholders of the parent company. The Restated Summary Financial Information have been prepared in accordance with the requirements of:

(a) sub clause (i) and (iii) of clause (b) of sub section (1) of section 26 of the Companies Act, 2013; and

(b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time.

These Restated Summary Financial Information have been prepared after incorporating adjustments for the material amounts in the respective years/ period to which they relate.

There are no changes to accounting policies or incorrect accounting policies or auditors' qualification which require adjustment.

These Restated Summary Financial Information were approved by the Board of Directors on December 24, 2015.

##### ii. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and the assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

##### iii. Current-non-current classification

All assets and liabilities are classified into current and non-current.

##### Assets

An asset is classified as current when it satisfies any of the following criteria :

(a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realised within 12 months after the reporting date; or

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current position of non-current financial assets.

All other assets are classified as non-current.

##### Liabilities

A liability is classified as current when it satisfies any of the following criteria :

(a) it is expected to be settled in the company's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within 12 months after the reporting date; or

(d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in the settlement by the issue of equity investments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

##### Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

All assets and liabilities have been classified as current or non-current as per the criteria set out in Schedule III of the Companies Act, 2013. Normal operating cycle for the Company is 12 months.

##### iv. Inventories

Inventories comprises of medicines and contrasts which are valued at lower of cost and net realisable value. Cost is determined under the first in first out method and includes all costs incurred in bringing the inventories to their present location and condition.

##### v. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

##### vi. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

# Nuclear Healthcare Limited

## Annexure IV (Continued)

### Notes to restated Summary Statements of Assets and Liabilities, Statement of Profit and Loss and Cash Flows for the six months ended 30 September 2015 and years ended 31 March 2015, 2014, 2013, 2012 and 2011 (Continued)

#### 1. Significant accounting policies and notes to accounts (Continued)

##### vii. Revenue recognition

Revenue from diagnostic and imaging services is recognised once the services are rendered.

Revenue from sale of product is recognised when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of product.

Sale of services are accounted net of trade discount, if any.

Interest income is recognized using the time proportion method, based on the underlying interest rates. Dividend income if any is recognized when the right to receive dividend is established.

##### viii. Fixed assets and depreciation

###### a. Tangible assets

Tangible assets are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes inward freight, duties, taxes (to the extent not recoverable from tax authorities) and expenses incidental to acquisition and installation of the fixed assets up to the time the assets are ready for intended use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

In respect of fixed assets purchased during the period, the depreciation is provided on a pro rata basis from the date on which such asset is ready to be put to use. Depreciation on fixed assets, except leasehold/ freehold land, is provided under the written down value method at the rates prescribed in Schedule II to the Act, which in the opinion of management reflects the economic useful lives of assets. Depreciation on sale of assets is provided up to the date of sale of the asset. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at higher rate based on the management's estimate of the useful life/ remaining useful life.

Leasehold land is amortised on a straight line basis over the primary period of lease. Freehold land is not depreciated.

Assets on leasehold land i.e. building premises are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule II to the Companies Act, 2013).

###### b. Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Goodwill is amortised over a period of 5 years.

# Nuclear Healthcare Limited

## Annexure IV (Continued)

### Notes to restated Summary Statements of Assets and Liabilities, Statement of Profit and Loss and Cash Flows for the six months ended 30 September 2015 and years ended 31 March 2015, 2014, 2013, 2012 and 2011 (Continued)

#### 1. Significant accounting policies and notes to accounts (Continued)

##### ix. Impairment

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Goodwill is amortised over a period of 5 years.

##### x. Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current-non-current classification scheme of Schedule III of the Companies Act, 2013.

Long term investments are stated at cost. Provision for diminution in value is made only when in the opinion of the management there is a diminution other than temporary in the carrying value of such investments determined separately for each investment. Current investments are valued at lower of cost and market value.

##### xi. Leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of profit and loss on a straight line basis over the lease term unless other systematic basis is more representative of the time pattern of the benefit.

##### xii. Foreign exchange transactions

Foreign exchange transactions are recorded into Indian rupees using the average of the opening and closing spot rates on the dates of the respective transaction. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the Statement of profit and loss of the period.

Monetary items (including long-term monetary items) in foreign currency, which are outstanding as at the year-end are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of profit and loss. Non-monetary foreign currency items are carried at cost.

##### xiii. Employee benefits

###### Short-term employment benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include salary, wages and bonus, compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period of rendering of service by the employee.

###### Post employment benefits

###### Defined contribution plans

The Company has defined contribution plans for post employment benefits namely Provident Fund. Under the provident fund plan, the Company contributes to a Government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution. The Company makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995 and has no further obligation beyond making the payment to them. The Company's contribution to the above funds are charged to the statement of profit and loss account every year.

###### Defined benefit plans

The Company's gratuity benefit scheme are defined benefit plans. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

###### Other long-term employment benefits

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.



# Nuclear Healthcare Limited

## Annexure IV (Continued)

### Notes to restated Summary Statements of Assets and Liabilities, Statement of Profit and Loss and Cash Flows for the six months ended 30 September 2015 and years ended 31 March 2015, 2014, 2013, 2012 and 2011 (Continued)

#### 1. Significant accounting policies and notes to accounts (Continued)

##### xiv. Earnings per share

The basic earnings per share is computed by dividing the net profit or loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The number of equity shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which would have been issued on conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The potentially dilutive equity shares have been adjusted for the proceeds receivable had the shares been actually issued at a fair value. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

##### xv. Taxation

###### Income tax

Income tax expense comprises current tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions, in accordance with the Income tax Act, 1961.

###### Deferred tax

Deferred tax charge or credit and the corresponding deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

###### Minimum Alternate Tax

In accordance with the provisions of Section 115JAA of the Income-tax Act, 1961, the Company is allowed to avail credit equal to the excess of Minimum Alternate Tax (MAT) over normal income tax for the assessment year for which MAT is paid. MAT credit so determined can be carried forward for set-off for ten succeeding assessment years from the year in which such credit becomes allowable. MAT credit can be set-off only in the year in which the Company is liable to pay tax as per the normal provisions of the Income-tax Act, 1961 and such tax is in excess of MAT for that year. Accordingly, MAT credit entitlement is recognized only to the extent there is convincing evidence that the Company will pay normal tax during the specified period.

##### xvi. Provisions and contingent liabilities

Provision is recognised in the balance sheet when the Company has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimation can be made of the amount required to settle the obligation. Contingent liabilities arising from claims, litigation, assessment, fines, penalties etc. are disclosed when there is a possible obligation or a present obligation as a result of a past event where it is not probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reasonably estimated. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosures is made.

##### xvii. Segment reporting

The Company is engaged only in diagnostics/ imaging services business in India and follows only one reportable segment and therefore segment wise reporting as per Accounting Standard (AS) 17 issued by The Institute of Chartered Accountants of India is not applicable.

# Nueclear Healthcare Limited

## Annexure IV - Significant accounting policies and notes to accounts (Continued)

### Notes to Restated Summary Statements of Assets and Liabilities, Statement of Profit and Loss and Cash Flows for the six months ended 30 September 2015 and years ended 31 March 2015, 2014, 2013, 2012 and 2011 (Continued)

#### 2. Impact of material adjustments

The summary of results of restatement made in the audited Standalone financial statements for the respective years and its impact on the profit/(loss) of the Company is as follows :

(Rs. in million)

| Particulars                                                                                          | For the six months ended | For the years ended |               |               |               |               |
|------------------------------------------------------------------------------------------------------|--------------------------|---------------------|---------------|---------------|---------------|---------------|
|                                                                                                      | 30 September 2015        | 31 March 2015       | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| Net profit after tax as per audited statement of profit and loss                                     | (30.85)                  | (71.04)             | (109.52)      | 25.20         | 0.89          | -             |
| Adjustments on account of: (refer Note 3A)                                                           |                          |                     |               |               |               |               |
| a) Preoperating, and Preliminary expenses adjustment                                                 | -                        | -                   | 7.31          | (2.47)        | (3.95)        | (0.89)        |
| b) Prior period adjustment                                                                           | -                        | -                   | 8.51          | (8.51)        | -             | -             |
| c) Provision for employee benefits                                                                   | -                        | -                   | (0.47)        | 0.47          | -             | -             |
| d) Provision for claim and interest thereon                                                          | 11.24                    | (1.67)              | 9.15          | (18.72)       | -             | -             |
| e) Bad debts written off                                                                             | 1.06                     | -                   | -             | (1.06)        | -             | -             |
| Total impact of the adjustments                                                                      | 12.30                    | (1.67)              | 24.50         | (30.29)       | (3.95)        | (0.89)        |
| (f) Short / excess provision of income taxes of earlier years and Deferred tax impact of adjustments | -                        | -                   | (5.22)        | 1.53          | 3.39          | 0.30          |
| Total adjustments                                                                                    | 12.30                    | (1.67)              | 19.28         | (28.76)       | (0.56)        | (0.59)        |
| Net profit after tax, as restated                                                                    | (18.55)                  | (72.71)             | (90.24)       | (3.56)        | 0.33          | (0.59)        |

#### 3. Notes on adjustments to the restated summary statements and other disclosures

##### A) Other material adjustments

**(a) Preoperating, and Preliminary expenses adjustment:** In the past, the Company had a policy to defer preliminary expenses. For the purpose of restatement, deferred revenue expense has been charged off in the years in which it has been incurred.

**(b) Prior period adjustment:** For the purpose of restatement, prior period adjustments have been recorded in respective years to which the adjustment pertains.

**(c) Provision for employee benefits:** During the financial year 2013-2014, provision for employee benefits was made on the basis of actuarial valuation in compliance of the Accounting Standard - 15, which was earlier accounted for by the Company on payment. Accordingly provision for employee benefits has been recomputed on actuarial valuation basis for each preceding year and consequently the adjustments have been made in the expense for leave encashment and gratuity for the year ended 31 March 2013.

# Nuclear Healthcare Limited

## Annexure IV - Significant accounting policies and notes to accounts (*Continued*)

### Notes to Restated Summary Statements of Assets and Liabilities, Statement of Profit and Loss and Cash Flows for the six months ended 30 September 2015 and years ended 31 March 2015, 2014, 2013, 2012 and 2011 (*Continued*)

#### 3. Notes on adjustments to the restated summary statements and other disclosures

**(d) Provision for claim :** The Company in relation to a litigation by a vendor during financial year 2012-2013, had recorded a provision aggregating Rs. 10.81 million in financial year 2013-2014. During the six months period ended 30 September 2015, the Company recorded additional provision on that matter. For the purpose of restatement, the provisions have been recorded in financial year 2012-2013. Consequent provision for interest charge has been debited to respective financial period/ year.

**(e) Bad debts written off :** For the purpose of restatement, bad debts have been adjusted in the respective years in which the transactions originated.

**(f) Short / excess provision of income taxes of earlier years and Deferred tax impact of adjustments :** The Statement of Profit and Loss of certain years include amounts paid/ provided for or refunded/ written back, in respect of shortfall/ excess current tax arising upon filing of tax returns, assessments etc. which have now been adjusted in the respective years to which they relate. Deferred tax has been computed on adjustments made. For the purpose of restatement, the same has now been adjusted in respective years to which the adjustments relate.

#### **B) Regrouping**

Appropriate adjustments have been made in the Restated summary financial information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the six months ended September 30, 2015 and year ended 31 March, 2015, prepared in accordance with Schedule III of the Companies Act, 2013 ("Act") and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended). Accordingly, the Company has presented the Restated summary financial information as at and for the years ended 31 March, 2014, 31 March, 2013, 31 March, 2012 and 31 March, 2011 following the requirements of Schedule III.

#### **C) Material Regrouping**

Appropriate adjustments have been made in the Restated Summary Statements of Assets and Liabilities, the Statement of Profit and Loss and Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the groupings as per the audited financials of the Company as at and for the period ended 30 September 2015. The material regroupings made in the Restated Summary Statement of Assets and Liabilities are as under:-

- In the Financial year 2012-2013, the Company recorded a gain on sale of land and building under the head "Other income". For the purpose of restatement, the same has been reclassified as exceptional item which is in line with Accounting Standard - 5 on "Net profit or loss for the period, prior period items and changes in accounting policies"

## Nuclear Healthcare Limited

### Annexure IV - Significant accounting policies and notes to accounts (*Continued*)

#### Notes to Restated Summary Statements of Assets and Liabilities, Statement of Profit and Loss and Cash Flows for the six months ended 30 September 2015 and years ended 31 March 2015, 2014, 2013, 2012 and 2011 (*Continued*)

##### 4. Contingent liabilities

###### Note A : Financial year 2011-2012

I) The promoters of the Company, the Company and the existing investor had entered into an investment agreement on 24 August 2011 for subscribing to the equity shares of the company by the investors. Further to this the promoters of the Company, the Company and the investors had entered into an investment agreement on 14 January 2013, wherein new investor has subscribed for the equity shares of the company. As per the terms of these subsisting investment agreements the promoters are obliged to honour certain financial and operational commitments during the tenure of these investment agreements such that the existing investors as defined in these agreements yields an IRR of at least 18% of their investments, at the time of exit and the new investors as defined in these agreements, though are not entitled to yield in terms of an IRR are entitled to their investments of Rs. 220 million atleast, at the time of exit. During the current financial year the management has not come across any instances which indicates the liability to meet these commitments.

###### Note B : Financial year 2012-2013

I) The promoters of the Company, the Company and the existing investor had entered into an investment agreement on 24 August 2011 for subscribing to the equity shares of the company by the investors. Further to this the promoters of the Company, the Company and the investors had entered into an investment agreement on 14 January 2013, wherein new investor has subscribed for the equity shares of the company. As per the terms of these subsisting investment agreements the promoters are obliged to honour certain financial and operational commitments during the tenure of these investment agreements such that the existing investors as defined in these agreements yields an IRR of at least 18% of their investments, at the time of exit and the new investors as defined in these agreements, though are not entitled to yield in terms of an IRR are entitled to their investments of Rs. 220 million atleast, at the time of exit. During the current financial year the management has not come across any instances which indicates the liability to meet these commitments.

###### Note C : Financial year 2013-2014

I) The promoters of the Company, the Company and the existing investor had entered into an investment agreement on 24 August 2011 for subscribing to the equity shares of the company by the investors. Further to this the promoters of the Company, the Company and the investors had entered into an investment agreement on 14 January 2013, wherein new investor has subscribed for the equity shares of the company. As per the terms of these subsisting investment agreements the promoters are obliged to honour certain financial and operational commitments during the tenure of these investment agreements such that the existing investors as defined in these agreements yields an IRR of at least 18% of their investments, at the time of exit and the new investors as defined in these agreements, though are not entitled to yield in terms of an IRR are entitled to their investments of Rs. 220 million atleast, at the time of exit. During the current financial year the management has not come across any instances which indicates the liability to meet these commitments.

II) During the year, the Company has received a claim of Rs 18.90 million (including interest of Rs 4.49 million) from one of its vendors for capital assets with whom the company had already entered into a full and final settlement arrangement on mutual consent including towards adjustment of dues recoverable from the said vendor on account of delay in execution of the contract. Subsequent to settlement, the vendor has raised claims towards statutory dues and has filed a suit before Civil Court Thane against the Company. The Company had filed an application for leave to defend which was rejected by Thane Civil Court and the Company has filed a Writ Petition which is now pending before the Hon'ble Bombay High Court. The vendor has given an undertaking before the Hon'ble Bombay High Court that they will not proceed with the matter before Thane Civil Court till the Writ Petition is finally disposed off by the Hon'ble Bombay High Court. Pending final conclusion in this regard, management has made a provision of Rs 10.81 million being the amount the Company may have to settle based on management best estimates. Management does not expect the final liability to exceed the amount of said provision recorded in the books of accounts.

###### Note D : Financial year 2014-2015

I) During the previous year, the Company has received a claim of Rs. 18.90 million (including interest of Rs. 4.49 millions) from one of its vendors for capital assets with whom the Company had already entered into a full and final settlement arrangement on mutual consent including towards adjustment of dues recoverable from the said vendor on account of delay in execution of the contract. Subsequent to settlement, the vendor has raised claims towards statutory dues and has filed a suit before Civil Court Thane against the Company. The Company has filed an application for leave to defend which was rejected by Thane Civil Court and the company has filed writ petition which is pending before the Hon'ble Bombay High Court. The vendor has given an undertaking before the Hon'ble Bombay High Court that they will not proceed the matter before Thane Civil Court till the writ petition is finally disposed off by the Hon'ble Bombay High Court. Pending final conclusion in this regard, management has made a provision of Rs. 10.81 million being the amount the company may have to settle based on management's best estimate. Management does not expect the final liability to exceed the amount of the said provision recorded in the books of accounts.

###### II) Capital Commitments

Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for Rs. 231.66 million.

## Nuclear Healthcare Limited

### Annexure IV - Significant accounting policies and notes to accounts *(Continued)*

#### Notes to Restated Summary Statements of Assets and Liabilities, Statement of Profit and Loss and Cash Flows for the six months ended 30 September 2015 and years ended 31 March 2015, 2014, 2013, 2012 and 2011 *(Continued)*

##### Note E : For the six months period ended 30 September 2015

I) The Company had received a claim of Rs. 18.23 million (including interest of Rs. 3.81 million) from one of its vendors for capital assets with whom the Company had already entered into a full and final settlement arrangement on mutual consent including towards adjustment of dues recoverable from the said vendor on account of delay in execution of the contract. Subsequent to settlement, the vendor had raised claims towards statutory dues and had filed a suit before Civil Court, Thane against the Company. The Company had filed an application for leave to defend which was rejected by Civil Court, Thane and the Company has filed writ petition which is pending before the Hon'ble Bombay High Court. The vendor has given an undertaking before the Hon'ble Bombay High Court that they will not proceed the matter before Thane Civil Court till the writ petition is finally disposed off by the Hon'ble Bombay High Court. Pending final conclusion in this regard, management has made a provision of Rs. 10.81 million being the amount the Company may have to settle based on management's best estimate. During the six months ended 30 September 2015, the Company's Board of Directors (Board) has reassessed the likely implications in the said matter and consequently accrued additional provision of Rs. 12.07 million. The Board does not expect the final liability to exceed the amount of the total provision of Rs. 22.89 million recorded in the books of accounts as at 30 September 2015. However the vendor has filed before the Civil Court, Thane for a claim along with interest @ 24% and accordingly claim towards the additional interest to the extent of Rs. 7.28 million is not acknowledged as debt in the books of accounts as on 30 September 2015.

##### II) Capital Commitments

Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for Rs. 0.02 million.

### 5. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on completion of service/leaving the Company, at 15 days salary (last drawn basic salary and dearness allowance) for each completed year of service or part thereof in excess of six months. These benefits are unfunded.

| Particulars                                        | For the six months ended         | For the years ended              |                                  |                                  |               |               |
|----------------------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|---------------|---------------|
|                                                    | 30 September 2015                | 31 March 2015                    | 31 March 2014                    | 31 March 2013                    | 31 March 2012 | 31 March 2011 |
| <b>Obligations at beginning of the year/period</b> |                                  |                                  |                                  |                                  |               |               |
| Current service cost                               | 017                              | 006                              | 001                              | -                                | -             | -             |
| Interest cost                                      | 006                              | 006                              | 0.02                             | 0.01                             | -             | -             |
| Benefits paid                                      | 001                              | 001                              | -                                | -                                | -             | -             |
| Net actuarial (gain) / loss for the year/period    | -                                | -                                | -                                | -                                | -             | -             |
|                                                    | (0.04)                           | 004                              | 003                              | -                                | -             | -             |
| <b>Obligations at end of the year/period</b>       | <b>0.19</b>                      | <b>0.17</b>                      | <b>0.06</b>                      | <b>0.01</b>                      | -             | -             |
| <b>Gratuity cost for the year/period</b>           |                                  |                                  |                                  |                                  |               |               |
| Current service cost                               | 006                              | 006                              | 002                              | 001                              | -             | -             |
| Interest cost                                      | 001                              | 001                              | -                                | -                                | -             | -             |
| Actuarial losses/(gains)                           | (0.04)                           | 004                              | 003                              | -                                | -             | -             |
| <b>Net gratuity cost</b>                           | <b>0.02</b>                      | <b>0.11</b>                      | <b>0.05</b>                      | <b>0.01</b>                      | -             | -             |
| <b>Assumptions</b>                                 |                                  |                                  |                                  |                                  |               |               |
| Discount rate                                      | 8.00%                            | 8.00%                            | 9.32%                            | 8.17%                            | -             | -             |
| Salary increase                                    | 7.00%                            | 7.00%                            | 7.00%                            | 7.00%                            | -             | -             |
| Attrition rate                                     | For 2 years and below - 15% p.a. | For 2 years and below - 15% p.a. | For 2 years and below - 15% p.a. | For 2 years and below - 15% p.a. | -             | -             |
|                                                    | For 3 years to 4 years - 5% p.a. | For 3 years to 4 years - 5% p.a. | For 3 years to 4 years - 5% p.a. | For 3 years to 4 years - 5% p.a. | -             | -             |
|                                                    | For 5 years and above - 2% p.a.  | For 5 years and above - 2% p.a.  | For 5 years and above - 2% p.a.  | For 5 years and above - 2% p.a.  | -             | -             |
| Retirement age                                     | 58                               | 58                               | 58                               | 58                               | -             | -             |

# Nueclear Healthcare Limited

## Annexure V

### Restated Statement of Current and Non Current Investments

(Rs. in million)

| Particulars                                          | As at             |               |               |               |               |               |
|------------------------------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
|                                                      | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| <b>Current investments</b>                           |                   |               |               |               |               |               |
| <i>Non trade - At lower of cost and market value</i> |                   |               |               |               |               |               |
| Investments in mutual funds - Quoted                 | 215.95            | 206.06        | 280.23        | 356.16        | -             | -             |
| <b>Total</b>                                         | <b>215.95</b>     | <b>206.06</b> | <b>280.23</b> | <b>356.16</b> | <b>-</b>      | <b>-</b>      |

Aggregate book value of quoted current investments

215.95 206.06 280.23 356.16 - -

Aggregate market value of quoted current investments

220.00 212.58 282.11 357.48 - -

#### Notes :

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

# Nuclear Healthcare Limited

## Annexure VI

### Restated Statement of Inventories

(Rs. in million)

| Particulars                                  | As at             |               |               |               |               |               |
|----------------------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
|                                              | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| <b>Inventories</b>                           |                   |               |               |               |               |               |
| Reagents, diagnostic material and consumable | 5.57              | 3.17          | 0.23          | 0.69          | -             | -             |
| <b>Total</b>                                 | <b>5.57</b>       | <b>3.17</b>   | <b>0.23</b>   | <b>0.69</b>   | <b>-</b>      | <b>-</b>      |

#### Notes :

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

# Nueclear Healthcare Limited

## Annexure VII

### Restated Statement of Trade Receivables

(Rs. in million)

| Particulars                                                                                             | As at             |               |               |               |               |               |
|---------------------------------------------------------------------------------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
|                                                                                                         | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment |                   |               |               |               |               |               |
| Secured, considered good                                                                                | -                 | -             | -             | -             | -             | -             |
| Unsecured, considered good                                                                              | -                 | -             | -             | -             | -             | -             |
| <b>Total</b>                                                                                            | -                 | -             | -             | -             | -             | -             |
| Others                                                                                                  |                   |               |               |               |               |               |
| Secured, considered good                                                                                | -                 | -             | -             | -             | -             | -             |
| Unsecured, considered good                                                                              | 15.29             | 2.65          | 0.06          | -             | -             | -             |
| <b>Total</b>                                                                                            | <b>15.29</b>      | <b>2.65</b>   | <b>0.06</b>   | -             | -             | -             |
| <b>Grand Total</b>                                                                                      | <b>15.29</b>      | <b>2.65</b>   | <b>0.06</b>   | -             | -             | -             |

#### Notes :

- 1) The above statement should be read with the notes to restated summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.
- 2) Following are the amounts due from the Directors/ Promoters/ Promoter Group Companies/ Group Entities/ Relatives of Directors/ Holding Company/ Subsidiary Companies/ Fellow Subsidiaries.

| Particulars                    | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
|--------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
| Thyrocare Technologies Limited | 0.63              | -             | -             | -             | -             | -             |

- 3) List of persons/ entities classified as 'Promoter', 'Promoter Group Companies' and 'Group Entities' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.



# Nuclear Healthcare Limited

## Annexure VIII

### Restated Statement of Cash and Bank Balance

(Rs. in million)

| Particulars                                | As at             |               |               |               |               |               |
|--------------------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
|                                            | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| Cash and cash equivalents                  |                   |               |               |               |               |               |
| Cash on hand                               | 002               | 019           | 001           | -             | 004           | -             |
| Balances with banks<br>in current accounts | 1113              | 770           | 850           | 3009          | 767           | 136           |
|                                            | <b>11.15</b>      | <b>7.89</b>   | <b>8.51</b>   | <b>30.09</b>  | <b>7.71</b>   | <b>1.36</b>   |

#### Notes :

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

# Nuclear Healthcare Limited

## Annexure IX

### Restated Statement of Long-term and Short-term loans and advances and Other non-current and current assets

(Rs. in million)

| Particulars                                                       | As at             |               |               |               |               |               |
|-------------------------------------------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
|                                                                   | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| <b>Long-term loans and advances (Unsecured, considered good)</b>  |                   |               |               |               |               |               |
| Capital advances                                                  | -                 | 50.00         | 0.38          | 20.34         | 210.50        | 252.81        |
| Security deposits                                                 | 36.96             | 48.41         | 36.90         | 36.56         | -             | -             |
| Advance tax and tax deducted at source (net of provision for tax) | 5.14              | 3.86          | 4.23          | 5.02          | 1.19          | -             |
| MAT credit entitlement                                            | 5.17              | 5.17          | 5.17          | 5.17          | 0.25          | -             |
| <b>Total</b>                                                      | <b>47.27</b>      | <b>107.44</b> | <b>46.68</b>  | <b>67.09</b>  | <b>211.95</b> | <b>252.81</b> |
| <b>Short-term loans and advances</b>                              |                   |               |               |               |               |               |
| Prepaid expenses                                                  | 0.27              | 0.22          | 0.14          | 0.01          | -             | -             |
| Loan to employees                                                 | -                 | 0.05          | -             | -             | -             | -             |
| Advances to related parties                                       | -                 | -             | -             | -             | 117.00        | 165.00        |
| Advances to others                                                | -                 | -             | -             | -             | 20.00         | -             |
| Advances for supply of goods and services                         | 52.84             | 2.89          | 21.05         | 0.50          | -             | 0.01          |
| <b>Total</b>                                                      | <b>53.11</b>      | <b>3.15</b>   | <b>21.19</b>  | <b>0.51</b>   | <b>137.00</b> | <b>165.01</b> |
| <b>Other current assets</b>                                       |                   |               |               |               |               |               |
| Interest accrued on deposits                                      | 0.10              | 0.21          | 0.21          | 0.21          | -             | -             |
| <b>Total</b>                                                      | <b>0.10</b>       | <b>0.21</b>   | <b>0.21</b>   | <b>0.21</b>   | <b>-</b>      | <b>-</b>      |
| <b>Grand Total</b>                                                | <b>100.48</b>     | <b>110.80</b> | <b>68.09</b>  | <b>67.81</b>  | <b>348.95</b> | <b>417.82</b> |

#### Notes :

- 1) The above statement should be read with the notes to restated summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.
- 2) Following are the amounts due from the Directors/ Promoters/ Promoter Group Companies/ Group Entities/ Relatives of Directors/ Holding Company/ Subsidiary Companies/ Fellow Subsidiaries.

| Particulars                          | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
|--------------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
| Sumathi Construction Private Limited | 33.70             | 33.70         | 33.70         | 33.70         | -             | -             |
| Dee Anu Trading Co Private Limited   | -                 | -             | -             | -             | 117.00        | 165.00        |

- 3) List of persons/ entities classified as 'Promoter', 'Promoter Group Companies' and 'Group Entities' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

# Nueclear Healthcare Limited

## Annexure X

### Restated Statement of Short-Term Borrowings

(Rs. in million)

| Particulars            | As at             |               |               |               |               |               |
|------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
|                        | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| Short term borrowings  |                   |               |               |               |               |               |
| - from related parties | -                 | -             | -             | -             | 165.42        | -             |
|                        | -                 | -             | -             | -             | 165.42        | -             |

#### Notes :

- 1) The above statement should be read with the notes to restated summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.
- 2) Following are the amounts due to the Directors/ Promoters/ Promoter Group Companies/ Group Entities/ Relatives of Directors/ Holding Company/ Subsidiary Companies/ Fellow Subsidiaries.

| Particulars                    | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
|--------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
| Thyrocare Technologies Limited | -                 | -             | -             | -             | 165.42        | -             |

- 3) List of persons/ entities classified as 'Promoter', 'Promoter Group Companies' and 'Group Entities' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

# Nueclear Healthcare Limited

## Annexure XI

### Restated Statement of Current and Non-current liabilities and Long-term and Short-term provisions

(Rs. in million)

| Particulars                                                                              | As at             |               |               |               |               |               |
|------------------------------------------------------------------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
|                                                                                          | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| <b>Non-current liabilities</b>                                                           |                   |               |               |               |               |               |
| <b>Long-term provisions</b>                                                              |                   |               |               |               |               |               |
| Compensated absences                                                                     | 0.56              | 0.76          | 0.11          | 0.10          | -             | -             |
| Gratuity                                                                                 | 0.19              | 0.17          | 0.06          | 0.01          | -             | -             |
| Claims                                                                                   | 22.88             | 22.05         | 20.39         | 18.72         | -             | -             |
| <b>Total</b>                                                                             | <b>23.63</b>      | <b>22.98</b>  | <b>20.56</b>  | <b>18.83</b>  | -             | -             |
| <b>Other long term liabilities</b>                                                       |                   |               |               |               |               |               |
| Trade/ Security deposits received                                                        | 1.94              | 2.07          | 0.16          | 0.08          | -             | -             |
| Deferred rent                                                                            | 5.20              | 7.60          | 8.77          | 8.51          | -             | -             |
| <b>Total</b>                                                                             | <b>7.14</b>       | <b>9.67</b>   | <b>8.93</b>   | <b>8.59</b>   | -             | -             |
| <b>Current liabilities</b>                                                               |                   |               |               |               |               |               |
| <b>Trade payables</b>                                                                    |                   |               |               |               |               |               |
| - total outstanding dues of micro enterprises and small enterprises                      | -                 | -             | -             | -             | -             | -             |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 9.00              | 0.15          | 1.51          | 0.33          | -             | -             |
| <b>Total</b>                                                                             | <b>9.00</b>       | <b>0.15</b>   | <b>1.51</b>   | <b>0.33</b>   | -             | -             |
| <b>Other current liabilities</b>                                                         |                   |               |               |               |               |               |
| Employee payables                                                                        | 0.97              | 0.76          | 0.07          | 0.36          | -             | -             |
| Statutory dues*                                                                          | 0.70              | 0.90          | 0.40          | 0.76          | 0.02          | -             |
| Creditors for capital goods                                                              | 0.44              | 0.51          | 0.94          | 0.97          | 15.09         | -             |
| Security deposits received                                                               | 0.16              | 0.09          | -             | -             | -             | -             |
| Deferred rent                                                                            | 3.95              | 1.43          | -             | -             | -             | -             |
| Payable to related party                                                                 | 109.82            | 117.50        | 14.86         | -             | -             | -             |
| Expenses payable#                                                                        | 5.11              | 3.63          | 11.39         | 4.69          | 0.20          | 0.09          |
| <b>Total</b>                                                                             | <b>121.15</b>     | <b>124.83</b> | <b>27.66</b>  | <b>6.78</b>   | <b>15.31</b>  | <b>0.09</b>   |

\* Statutory dues include tax deducted at source, local body tax, professional tax, provident fund and ESIC

# Expenses payable includes operating, administrative and marketing expenses.

# Nueclear Healthcare Limited

## Annexure XI (Continued)

### Restated Statement of Current and Non-current liabilities and Long-term and Short-term provisions

(Rs in million)

| Particulars                                      | As at             |               |               |               |               |               |
|--------------------------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
|                                                  | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| <b>Short-term provisions</b>                     |                   |               |               |               |               |               |
| Provision for employee benefits                  |                   |               |               |               |               |               |
| Provision for bonus                              | 0.47              | 0.30          | 0.18          | 0.05          | -             | -             |
| Provision for compensated absences               | 0.10              | 0.20          | 0.32          | 0.03          | -             | -             |
| Provision for gratuity                           | 0.00              | 0.00          | 0.00          | 0.00          | -             | -             |
| Provision for refundable staff security deposits | 0.11              | 0.08          | -             | -             | -             | -             |
| <b>Total</b>                                     | <b>0.68</b>       | <b>0.58</b>   | <b>0.50</b>   | <b>0.08</b>   | <b>-</b>      | <b>-</b>      |
|                                                  |                   |               |               |               |               |               |
| <b>Grand Total</b>                               | <b>161.60</b>     | <b>158.21</b> | <b>59.15</b>  | <b>34.61</b>  | <b>15.31</b>  | <b>0.09</b>   |

#### Notes :

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

2) Following are the amounts due to the Directors/ Promoters/ Promoter Group Companies/ Group Entities/ Relatives of Directors/ Holding Company/ Subsidiary Companies/ Fellow Subsidiaries:

| Particulars                          | 30 September 2015 | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
|--------------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
| Thyrocare Technologies Limited       | 110.67            | 119.36        | 14.86         | -             | -             | -             |
| Sumathi Construction Private Limited | 1.01              | -             | 11.05         | -             | -             | -             |

3) List of persons/ entities classified as 'Promoter', 'Promoter Group Companies' and 'Group Entities' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

# Nueclear Healthcare Limited

## Annexure XII

### Restated Statement of Share Capital

(Rs. in million)

| Particulars                                          | As at             |                   |                   |                   |                   |               |
|------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------|
|                                                      | 30 September 2015 | 31 March 2015     | 31 March 2014     | 31 March 2013     | 31 March 2012     | 31 March 2011 |
| <b>Equity shares of Rs 10 each</b>                   |                   |                   |                   |                   |                   |               |
| Authorized share capital                             | 150.00            | 150.00            | 150.00            | 150.00            | 100.00            | 100.00        |
| Issued, subscribed and fully paid-up                 | 111.11            | 111.11            | 111.11            | 111.11            | 100.00            | 0.50          |
| <b>Reconciliation of number of shares :</b>          |                   |                   |                   |                   |                   |               |
| Number of shares at the beginning of the period/year | 11,111,000        | 11,111,000        | 11,111,000        | 10,000,000        | 50,000            | -             |
| Add: Shares issued during the period/year            | -                 | -                 | -                 | 1,111,000         | 9,950,000         | 50,000        |
| Number of shares at the closing of the period/year   | <b>11,111,000</b> | <b>11,111,000</b> | <b>11,111,000</b> | <b>11,111,000</b> | <b>10,000,000</b> | <b>50,000</b> |

#### Notes :

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

# Nueclear Healthcare Limited

## Annexure XIII

### Restated Statement of Reserves and Surplus

(Rs. in million)

| Particulars                                                                      | As at             |                 |                |               |               |               |
|----------------------------------------------------------------------------------|-------------------|-----------------|----------------|---------------|---------------|---------------|
|                                                                                  | 30 September 2015 | 31 March 2015   | 31 March 2014  | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| <b>Shares premium account</b>                                                    |                   |                 |                |               |               |               |
| Opening balance                                                                  | 911.09            | 911.09          | 911.09         | 700.00        | -             | -             |
| Add: Received during the year                                                    | -                 | -               | -              | 211.09        | 700.00        | -             |
|                                                                                  | <b>911.09</b>     | <b>911.09</b>   | <b>911.09</b>  | <b>911.09</b> | <b>700.00</b> | <b>-</b>      |
| <b>Surplus / (Deficit) : statement of profit and loss</b>                        |                   |                 |                |               |               |               |
| Opening balance                                                                  | (166.77)          | (94.05)         | (3.81)         | (0.26)        | (0.59)        | -             |
| Add: Net profit / (loss) after tax transferred from statement of profit and loss | (18.55)           | (72.71)         | (90.24)        | (3.56)        | 0.33          | (0.59)        |
|                                                                                  | <b>(185.32)</b>   | <b>(166.76)</b> | <b>(94.05)</b> | <b>(3.82)</b> | <b>(0.26)</b> | <b>(0.59)</b> |
|                                                                                  |                   |                 |                |               |               |               |
|                                                                                  | <b>725.77</b>     | <b>744.33</b>   | <b>817.04</b>  | <b>907.27</b> | <b>699.74</b> | <b>(0.59)</b> |

#### Notes :

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

# Nuclear Healthcare Limited

## Annexure XIV

### Restated Statement of Revenue from operations

(Rs. in million)

| Particulars                              | For the six months ended | For the years ended  |                      |                      |                      |                      |
|------------------------------------------|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                          | 30 September 2015        | 31 March 2015        | 31 March 2014        | 31 March 2013        | 31 March 2012        | 31 March 2011        |
| Sale of products (Refer Note (i) below)  | 7.42                     | -                    | -                    | -                    | -                    | -                    |
| Sale of services (Refer Note (ii) below) | 65.52                    | 96.34                | 23.11                | 0.34                 | 0.27                 | -                    |
|                                          | <b>72.94</b>             | <b>96.34</b>         | <b>23.11</b>         | <b>0.34</b>          | <b>0.27</b>          | -                    |
| Other operating revenue                  | 0.13                     | 0.14                 | -                    | -                    | -                    | -                    |
|                                          | <b>73.07</b>             | <b>96.48</b>         | <b>23.11</b>         | <b>0.34</b>          | <b>0.27</b>          | -                    |
| <b>Note:</b>                             | <b>30 September 2015</b> | <b>31 March 2015</b> | <b>31 March 2014</b> | <b>31 March 2013</b> | <b>31 March 2012</b> | <b>31 March 2011</b> |
| <b>i) Sale of product comprises :</b>    |                          |                      |                      |                      |                      |                      |
| <u>Manufactured goods</u>                |                          |                      |                      |                      |                      |                      |
| Radioactive pharmaceutical (FDG)         | 7.42                     | -                    | -                    | -                    | -                    | -                    |
|                                          | <b>7.42</b>              | -                    | -                    | -                    | -                    | -                    |
| <b>ii) Sale of services comprises :</b>  |                          |                      |                      |                      |                      |                      |
| Diagnostic and Imaging Services          | 65.52                    | 96.34                | 23.11                | 0.34                 | 0.27                 | -                    |
|                                          | <b>65.52</b>             | <b>96.34</b>         | <b>23.11</b>         | <b>0.34</b>          | <b>0.27</b>          | -                    |

#### Notes :

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.



# Nueclear Healthcare Limited

## Annexure XV

### Restated Statement of Other Income

(Rs. in million)

| Particulars                               | For the six months ended | For the years ended |               |               |               |               | Related/ Not related to business activity |
|-------------------------------------------|--------------------------|---------------------|---------------|---------------|---------------|---------------|-------------------------------------------|
|                                           | 30 September 2015        | 31 March 2015       | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |                                           |
| Other income                              | 11.10                    | 11.28               | 16.40         | 10.51         | 14.21         | -             |                                           |
| <b>Sources of other income</b>            |                          |                     |               |               |               |               |                                           |
| <b>Recurring</b>                          |                          |                     |               |               |               |               |                                           |
| Interest received                         | 0.14                     | 0.24                | 4.01          | 4.33          | 14.18         | -             | Not related                               |
| Dividend from mutual fund                 | 4.61                     | 10.63               | 12.31         | 6.16          | -             | -             | Not related                               |
| <b>Non-recurring</b>                      |                          |                     |               |               |               |               |                                           |
| Gains on sale of current investment (net) | 5.53                     | 0.00                | -             | -             | -             | -             | Not related                               |
| Rent received                             | 0.45                     | 0.23                | -             | -             | -             | -             | Not related                               |
| Excess provision written back             | 0.30                     | -                   | -             | -             | -             | -             | Not related                               |
| Miscellaneous income                      | 0.07                     | 0.18                | 0.08          | 0.01          | 0.03          | -             | Not related                               |
| <b>Total</b>                              | <b>11.10</b>             | <b>11.28</b>        | <b>16.40</b>  | <b>10.51</b>  | <b>14.21</b>  | <b>-</b>      |                                           |
| <b>Note:</b>                              |                          |                     |               |               |               |               |                                           |
| <b>Interest income comprises:</b>         |                          |                     |               |               |               |               |                                           |
| Interest from banks on deposits           | -                        | -                   | 3.69          | -             | -             | -             |                                           |
| Interest on loans and advances            | 0.01                     | -                   | -             | 4.10          | 14.18         | -             |                                           |
| Interest on income tax refund             | -                        | 0.02                | 0.09          | -             | -             | -             |                                           |
| Interest on deposit for electricity       | 0.13                     | 0.22                | 0.23          | 0.23          | -             | -             |                                           |
| <b>Total - Interest income</b>            | <b>0.14</b>              | <b>0.24</b>         | <b>4.01</b>   | <b>4.33</b>   | <b>14.18</b>  | <b>-</b>      |                                           |

#### Notes :

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

# Nuclear Healthcare Limited

## Annexure XVI

### Restated Statement of Expenses

(Rs. in million)

| Particulars                                                                             | For the six months ended | For the years ended |               |               |               |               |
|-----------------------------------------------------------------------------------------|--------------------------|---------------------|---------------|---------------|---------------|---------------|
|                                                                                         | 30 September 2015        | 31 March 2015       | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| <b>Cost of materials consumed</b>                                                       |                          |                     |               |               |               |               |
| Opening stock                                                                           | 3.17                     | 0.23                | 0.69          | -             | -             | -             |
| Add: Purchases                                                                          | 15.62                    | 33.75               | 6.36          | 1.04          | -             | -             |
|                                                                                         | 1879                     | 3398                | 705           | 104           | -             | -             |
| Less: Closing stock                                                                     | 557                      | 317                 | 023           | 069           | -             | -             |
| <b>Cost of material consumed</b>                                                        | <b>13.22</b>             | <b>30.81</b>        | <b>6.82</b>   | <b>0.35</b>   | <b>-</b>      | <b>-</b>      |
| <b>Employee benefits expense</b>                                                        |                          |                     |               |               |               |               |
| Salaries, wages and bonus                                                               | 6.44                     | 12.14               | 8.70          | 2.13          | -             | -             |
| Contributions to provident and other funds                                              | 0.49                     | 0.84                | 0.08          | -             | -             | -             |
| Gratuity                                                                                | 0.02                     | 0.11                | 0.44          | 0.15          | -             | -             |
| Leave encashment                                                                        | -                        | 0.55                | 0.36          | -             | -             | -             |
| Staff welfare expenses                                                                  | 0.03                     | 0.16                | 0.03          | -             | -             | -             |
| <b>Employee benefits expense</b>                                                        | <b>6.98</b>              | <b>13.80</b>        | <b>9.61</b>   | <b>2.28</b>   | <b>-</b>      | <b>-</b>      |
| <b>Other expenses</b>                                                                   |                          |                     |               |               |               |               |
| Outlab processing                                                                       | -                        | -                   | -             | -             | 0.02          | -             |
| Power and fuel and water                                                                | 8.19                     | 9.57                | 4.49          | 2.11          | 0.30          | -             |
| Rent                                                                                    | 17.64                    | 37.33               | 38.12         | 12.03         | -             | -             |
| Repairs and maintenance - Buildings                                                     | 1.55                     | 1.95                | 3.43          | 3.24          | 0.17          | -             |
| Repairs and maintenance - Machinery                                                     | 0.16                     | 1.47                | 0.57          | -             | -             | -             |
| Repairs and maintenance - Others                                                        | 0.10                     | 0.08                | 0.34          | -             | -             | -             |
| Rates and taxes                                                                         | 0.41                     | 0.58                | 0.47          | 0.46          | 0.05          | -             |
| Communication                                                                           | 0.23                     | 0.47                | 0.14          | 0.00          | -             | -             |
| Postage and courier                                                                     | 2.24                     | 0.35                | 0.45          | -             | -             | -             |
| Travelling and conveyance                                                               | 0.13                     | 0.42                | 0.30          | 0.25          | 0.46          | -             |
| Printing and stationery                                                                 | 0.40                     | 0.61                | 1.04          | -             | 0.07          | -             |
| Sales incentive                                                                         | 0.31                     | 0.37                | 0.02          | -             | -             | -             |
| Service charges                                                                         | 3.68                     | -                   | -             | -             | -             | -             |
| Advertisement expenses                                                                  | 0.07                     | 7.93                | 18.40         | 15.13         | 3.19          | -             |
| Business promotion                                                                      | 0.02                     | 0.82                | 0.05          | -             | -             | -             |
| Bank charges                                                                            | 0.12                     | 0.24                | 0.09          | 0.00          | 0.00          | -             |
| Legal and professional                                                                  | 9.38                     | 13.73               | 4.21          | 1.30          | 0.14          | 0.01          |
| Payments to auditors (Refer Note (i) below)                                             | 0.19                     | 0.44                | 0.23          | 0.23          | 0.23          | 0.03          |
| Loss on sale of current investments                                                     | -                        | -                   | 1.55          | -             | -             | -             |
| Provision for claims                                                                    | 0.84                     | 1.67                | 1.67          | 18.72         | -             | -             |
| Provision for diminution in value of investment                                         | 0.27                     | -                   | -             | -             | -             | -             |
| Company formation expenses                                                              | -                        | -                   | -             | -             | -             | 0.08          |
| Share issue expenses                                                                    | -                        | -                   | -             | 1.72          | 0.16          | 0.76          |
| Miscellaneous expenses                                                                  | 0.24                     | 0.40                | 0.53          | 1.64          | 0.08          | 0.01          |
| <b>Other expenses</b>                                                                   | <b>46.18</b>             | <b>78.43</b>        | <b>76.08</b>  | <b>56.83</b>  | <b>4.87</b>   | <b>0.89</b>   |
| <b>Notes:</b>                                                                           |                          |                     |               |               |               |               |
| Payments to the auditors comprises (net of service tax input credit, where applicable): |                          |                     |               |               |               |               |
| Statutory audit                                                                         | 0.17                     | 0.34                | 0.17          | 0.17          | 0.17          | 0.03          |
| Tax audit                                                                               | -                        | 0.09                | 0.06          | 0.06          | 0.06          | -             |
| Reimbursement of expenses                                                               | 0.02                     | 0.01                | -             | -             | -             | -             |
|                                                                                         | <b>0.19</b>              | <b>0.44</b>         | <b>0.23</b>   | <b>0.23</b>   | <b>0.23</b>   | <b>0.03</b>   |

#### Notes :

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

# Nueclear Healthcare Limited

## Annexure XVII

### Restated Statement of Dividend

(Rs. in million, other than share related data)

| Particulars                        | For the six months ended | For the years ended |               |               |               |               |
|------------------------------------|--------------------------|---------------------|---------------|---------------|---------------|---------------|
|                                    | 30 September 2015        | 31 March 2015       | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| Number of fully paid equity shares | 11,111,000               | 11,111,000          | 11,111,000    | 11,111,000    | 10,000,000    | 50,000        |
| Equity share capital               | 111.11                   | 111.11              | 111.11        | 111.11        | 100.00        | 0.50          |
| Face value (Rs.)                   | 10.00                    | 10.00               | 10.00         | 10.00         | 10.00         | 10.00         |
| Rate of dividend %                 | -                        | -                   | -             | -             | -             | -             |
| Amount of dividend                 | -                        | -                   | -             | -             | -             | -             |

#### Notes :

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

# Nueclear Healthcare Limited

## Annexure XVIII

### Restated Statement of Related Party Transactions

#### List of related parties and their relationship

| Particulars                                                                                                                                                                          | For six months ended<br>30 September 2015        | Year ended<br>31 March 2015                                                                            | Year ended<br>31 March 2014                                                | Year ended<br>31 March 2013                                                | Year ended<br>31 March 2012                 | Year ended<br>31 March 2011                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------------|
| Key management personnel                                                                                                                                                             | Dr A Velumani<br>A Sundararaju<br>Anand Velumani | Dr A Velumani<br>A Sundararaju<br>Anand Velumani                                                       | Dr A Velumani<br>A Sundararaju<br>Anand Velumani                           | Dr A Velumani<br>A Sundararaju<br>Anand Velumani                           | Dr A Velumani<br>A Sundararaju<br>V Sumathi | Dr A Velumani<br>A Sundararaju<br>V Sumathi                              |
| Holding company                                                                                                                                                                      | Thyrocare Technologies Limited                   | Thyrocare Technologies Limited<br>(w.e.f. November 15, 2014)                                           |                                                                            |                                                                            |                                             |                                                                          |
| Companies over which the key managerial personnel and relatives have control/ significant influence (associates) and with whom transactions have taken place during the period/year. | Sumathi Construction Private Limited             | Thyrocare Technologies Limited<br>(upto November 14, 2014)<br><br>Sumathi Construction Private Limited | Thyrocare Technologies Limited<br><br>Sumathi Construction Private Limited | Thyrocare Technologies Limited<br><br>Sumathi Construction Private Limited | Thyrocare Technologies Limited              | Thyrocare Technologies Limited<br><br>Dee Anu Trading Co Private Limited |

#### Notes :

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

# Nuclear Healthcare Limited

## Annexure XVIII (Continued)

### Restated Statement of Related Party Transactions

#### Details of transactions with related parties

(Rs. in million)

| Particulars                                   | Entity                                                    | For the six months ended | For the years ended |               |               |               |               |
|-----------------------------------------------|-----------------------------------------------------------|--------------------------|---------------------|---------------|---------------|---------------|---------------|
|                                               |                                                           | 30 September 2015        | 31 March 2015       | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| <b>Expenses</b>                               |                                                           |                          |                     |               |               |               |               |
| Service charges                               | Thyrocare Technologies Limited                            | 3.68                     | -                   | -             | -             | -             | -             |
|                                               | Sumathi Construction Private Limited                      | 17.51                    | 37.07               | 38.26         | 2.81          | -             | -             |
| Purchase of radiopharmaceuticals              | Thyrocare Technologies Limited (upto November 14, 2014)   | -                        | 7.29                | -             | -             | -             | -             |
|                                               | Thyrocare Technologies Limited (w.e.f. November 15, 2014) | -                        | 7.39                | -             | -             | -             | -             |
| Interest paid                                 | Thyrocare Technologies Limited (upto November 14, 2014)   | -                        | -                   | 0.00*         | 6.51          | 5.48          | -             |
| <b>Income</b>                                 |                                                           |                          |                     |               |               |               |               |
| Rent received                                 | Thyrocare Technologies Limited (w.e.f. November 15, 2014) | 0.51                     | 0.23                | -             | -             | -             | -             |
| Interest received                             | Dee Anu Trading Co Private Limited                        | -                        | -                   | -             | 3.19          | 11.33         | -             |
| Revenue from operation                        | Thyrocare Technologies Limited                            | 24.62                    | -                   | -             | -             | -             | -             |
| Managerial remuneration                       | Anand Velumani                                            | -                        | -                   | 0.20          | -             | -             | -             |
| Unsecured loans taken                         | Thyrocare Technologies Limited (upto November 14, 2014)   | -                        | -                   | -             | 150.20        | 549.94        | -             |
| Unsecured loans granted                       | Dee Anu Trading Co Private Limited                        | -                        | -                   | -             | -             | 89.50         | 165.50        |
| Repayment of unsecured loans granted          | Dee Anu Trading Co Private Limited                        | -                        | -                   | -             | 117.00        | 137.50        | 0.50          |
| Security deposit received for rented premises | Thyrocare Technologies Limited (w.e.f. November 15, 2014) | -                        | 1.86                | -             | -             | -             | -             |
| Security deposit paid for rented premises     | Sumathi Construction Private Limited                      | -                        | -                   | -             | 33.70         | -             | -             |
| Unsecured loans repaid                        | Thyrocare Technologies Limited (Upto November 14, 2014)   | -                        | -                   | -             | 315.61        | 384.52        | -             |
| Reimbursement of expenses or Expenses payable | Thyrocare Technologies Limited                            | 2.89                     | 7.45                | -             | -             | -             | -             |
|                                               | Thyrocare Technologies Limited (Upto November 14, 2014)   | -                        | -                   | 14.86         | -             | -             | -             |
|                                               | Sumathi Construction Private Limited                      | 1.01                     | -                   | -             | -             | -             | -             |
| Purchase of business undertaking              | Thyrocare Technologies Limited (w.e.f. November 15, 2014) | -                        | 125.00              | -             | -             | -             | -             |
| Sale of fixed assets                          | Thyrocare Technologies Limited (Upto November 14, 2014)   | -                        | -                   | 0.00*         | 510.00        | -             | -             |

\* Amount less than 0.01 million

#### Notes :

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

## Nuclear Healthcare Limited

### Annexure XVIII (Continued)

#### Restated Statement of Related Party Transactions

##### Details of related parties outstanding balances

(Rs. in million)

| Particulars                                   | Entity                               | For the six months ended | For the years ended |               |               |               |               |
|-----------------------------------------------|--------------------------------------|--------------------------|---------------------|---------------|---------------|---------------|---------------|
|                                               |                                      | 30 September 2015        | 31 March 2015       | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
| Unsecured loans taken                         | Thyrocare Technologies Limited       | -                        | -                   | -             | -             | 165.42        | -             |
| Unsecured loans granted                       | Dee Anu Trading Co Private Limited   | -                        | -                   | -             | -             | 117.00        | 165.00        |
| Security deposit received for rented premises | Thyrocare Technologies Limited       | 1.86                     | 1.86                | -             | -             | -             | -             |
| Security deposit paid for rented premises     | Sumathi Construction Private Limited | 33.70                    | 33.70               | 33.70         | 33.70         | -             | -             |
| Rent payable                                  | Sumathi Construction Private Limited | -                        | -                   | 11.05         | -             | -             | -             |
| Amount recoverable from related parties       | Thyrocare Technologies Limited       | 12.13                    | -                   | -             | -             | -             | -             |
| Amount payable                                | Thyrocare Technologies Limited       | 108.81                   | 117.50              | -             | -             | -             | -             |
|                                               | Thyrocare Technologies Limited       | -                        | -                   | 14.86         | -             | -             | -             |
|                                               | Sumathi Construction Private Limited | 1.01                     | -                   | -             | -             | -             | -             |

##### Notes :

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

# Nueclear Healthcare Limited

## Annexure XIX

### Restated Statement of Accounting Ratios

(Rs. in million, other than share related data)

| Particulars                                                                 | For the six months ended | As at and for the year ended 31 March |            |            |            |          |
|-----------------------------------------------------------------------------|--------------------------|---------------------------------------|------------|------------|------------|----------|
|                                                                             | 30 September 2015        | 2015                                  | 2014       | 2013       | 2012       | 2011     |
| Net worth (A)                                                               | 836.88                   | 855.44                                | 928.15     | 1,018.38   | 799.74     | 419.41   |
| Net profit / (loss) after tax (B)                                           | (18.55)                  | (72.71)                               | (90.24)    | (3.56)     | 0.33       | (0.59)   |
| Weighted average number of equity shares outstanding during the period/year |                          |                                       |            |            |            |          |
| For basic earnings per share (C)                                            | 11,111,000               | 11,111,000                            | 11,111,000 | 10,231,332 | 5,894,945  | 1,918    |
| For diluted earnings per share (D)                                          | 11,111,000               | 11,111,000                            | 11,111,000 | 10,231,332 | 5,894,945  | 1,918    |
| Earnings per share Rs. 10 each (refer note )                                |                          |                                       |            |            |            |          |
| Basic earnings per share (Rs) (E = B/C)                                     | (1.67)                   | (6.54)                                | (8.12)     | (0.35)     | 0.06       | (305.61) |
| Diluted earnings per share (Rs) (F = B/D)                                   | (1.67)                   | (6.54)                                | (8.12)     | (0.35)     | 0.06       | (305.61) |
| Return on net worth (%) (G = B/A)                                           | (2.22%)                  | (8.50%)                               | (9.72%)    | (0.35%)    | 0.04 %     | (0.14%)  |
| Number of shares outstanding at the end of the period/year (H)              | 11,111,000               | 11,111,000                            | 11,111,000 | 11,111,000 | 10,000,000 | 50,000   |
| Net assets value per share of Rs 10 each (I = A/H)                          | 75.32                    | 76.99                                 | 83.53      | 91.65      | 79.97      | 8,388.28 |
| Face value (Rs)                                                             | 10                       | 10                                    | 10         | 10         | 10         | 10       |

Notes:

1. The above ratios are calculated as under:

a) Earnings per share = Net profit after tax attributable to equity shareholders / weighted average number of shares outstanding during the period/year

b) Return on net worth (%) = Net profit / (loss) after tax / net worth as at the end of period/year

c) Net asset value (Rs) = Net worth as at the end of period/year / Total number of equity shares as at the end of period/year

2. The figures disclosed above are based on the restated financial information of Nueclear Healthcare Limited

3. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share" ("AS 20") as notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

4. Ratios for the six months ended 30 September 2015 is not annualised.

#### Notes :

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, statement of profit and loss and cash flows as appearing in Annexure IV.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Our Company

You should read the following discussion and analysis of the Company's financial condition and results of operations together with the Restated Standalone Financial Statements including the notes and schedules thereto and included in the section entitled "Financial Statements" on page 176. You should also read the section entitled "Risk Factors" on page 14, which discusses a number of factors and contingencies that could impact our financial condition and results of operations, and the section entitled "Our Business" on page 115, which presents important information about our business. Unless otherwise specified, all amounts in this section are stated on a standalone basis.

The following discussion is based on our Restated Standalone Financial Statements as of and for the fiscal years ended March 31, 2015, 2014 and 2013, which have been prepared in accordance with Indian GAAP, the applicable accounting standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. In addition, this discussion relates to the audited restated standalone financial statements of the Company for the six-month period ending September 30, 2015, which have been prepared in accordance with Indian GAAP, the applicable accounting standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The following discussion, in relevant parts, is also based on internally prepared statistical information and on publicly available information.

Our Restated Standalone Financial Statements included in this Draft Red Herring Prospectus are prepared in accordance with Indian GAAP, which differs in certain material respects from IFRS and U.S. GAAP. Accordingly, the degree to which the financial statements in this Draft Red Herring Prospectus will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian accounting processes.

Our fiscal year ends on March 31 of each year, so all references to a particular "fiscal year" and "Fiscal" are to the 12-month period ended March 31 of that fiscal year.

***In this section, references to "we" and "our" are to the Company on a standalone basis.***

### **Overview**

We are one of the leading pan-India diagnostic chains and conduct an array of medical diagnostic tests and profiles of tests that center on early detection and management of disorders and diseases. As of November 30, 2015, we offered 192 tests and 54 profiles of tests to detect a number of disorders, including thyroid disorders, growth disorders, metabolism disorders, auto-immunity, diabetes, anemia, cardiovascular disorders, infertility and various infectious diseases. Our profiles of tests include 17 profiles of tests administered under our "Aarogyam" brand, which offers patients a suite of wellness and preventive health care tests. We primarily operate our testing services through a fully-automated CPL and have recently expanded our operations to include a network of RPLs. Since the opening of the RPLs in 2015, we have seen an increase in the volume of tests that we have conducted from a daily average of approximately 95,610 in Fiscal 2014 to approximately 131,073 in Fiscal 2015 and approximately 165,672 in the six months ended September 30, 2015. Through our wholly owned subsidiary, NHL, we operate a network of molecular imaging centers in New Delhi, Navi Mumbai and Hyderabad, focused on early and effective cancer monitoring.

The table below sets forth certain key operational and financial information and data about the Company for six months ended September 30, 2015, Fiscal 2015, Fiscal 2014 and Fiscal 2013:

| (in ₹ millions) |                                        |                                      |                                      |                                         |
|-----------------|----------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------------|
| Particulars     | Six months ended<br>September 30, 2015 | For the year ended March<br>31, 2015 | For the year ended<br>March 31, 2014 | For the year<br>ended March<br>31, 2013 |
| Total income    | 1,170.32                               | 1,870.46                             | 1,565.55                             | 1,399.86                                |
| Total expenses  | 712.99                                 | 1,175.04                             | 876.60                               | 741.12                                  |



| Particulars                                               | Six months ended<br>September 30, 2015 | For the year ended March<br>31, 2015 | For the year ended<br>March 31, 2014 | For the year<br>ended March<br>31, 2013 |
|-----------------------------------------------------------|----------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------------|
| Profit/(loss) before<br>tax and<br>extraordinary<br>items | 457.33                                 | 695.42                               | 688.95                               | 658.74                                  |
| Exceptional items                                         | -                                      | 20.77                                | -                                    | 120.00                                  |
| Total provision for<br>tax                                | 152.46                                 | 231.69                               | 227.39                               | 210.55                                  |
| <b>Net profit/(loss)</b>                                  | <b>304.87</b>                          | <b>484.50</b>                        | <b>461.56</b>                        | <b>568.19</b>                           |

### Significant Factors Affecting Our Results of Operations

Our business is subject to various risks and uncertainties, including those discussed in the section “Risk Factors”. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our results of operations and financial conditions.

#### *Volume of tests performed*

We operate a CPL at Navi Mumbai and RPLs in New Delhi, Coimbatore, Hyderabad and Kolkata where we process samples collected by our pan Indian network of authorized service providers. In the six months ended September 30, 2015 and Fiscal 2015, our laboratories processed 5,746,761 and 9,093,828 samples for testing and conducted 30,317,913 and 47,841,710 tests, respectively.

We offer an array of approximately 192 tests and 54 profiles of tests to detect a number of disorders. Our multi-lab model supported by a network service providers and the nature of tests that we offer to our customers provides us with the benefits of: (i) pricing competitiveness; (ii) securing favorable terms from the vendors for our analyzers and reagents; and (iii) economies of scale.

The volume of samples that we process and the number of tests we perform primarily drives our revenue from operations. The introduction of RPLs and the growth of our service provider network has contributed to the growth of our test volumes in Fiscal 2015 and the six months ended September 30, 2015.

We adjust our pricing strategies to sustain and improve our volumes. For example, we reduced pricing of certain tests and profiles in Fiscal 2015 and added tests to our Aarogyam profiles in Fiscal 2015 without increasing the price of these Aarogyam profiles. We cannot guarantee that we would be able to adopt the same pricing strategy in the future in order to maintain or improve volumes. If we are unable to sustain or increase our volume of tests that we perform our results of operations and our financial position may be materially and adversely impacted.

#### *Performance of our distribution network*

We operate a hub-and-spoke model, pursuant to which our authorized service providers are responsible for procuring samples for processing at the CPL or RPLs from local hospitals, laboratories, pathologies, referring doctors, walk-in customers and home collection services. As of November 30, 2015, we had a network of 1,122 authorized service providers, spread across 28 states and union territories.

The volume of samples we process and the number of tests we perform is dependent on the performance of our authorized service providers. In the event our authorized service providers are unable to maintain the volume of samples collected or if there is a high attrition in our authorized service providers, our results of operations and our financial condition may be materially and adversely impacted.

Further, as part of our strategy for growth we are currently in the process of expanding our network of authorized service providers. As we add authorized service providers, it takes some time for a particular service provider to ramp up its business and, accordingly, the full impact on our volume of samples procured by such an additional provider may not get immediately reflected in our results of operations. In the event we are unable to implement our strategy of expanding our network of authorized service providers we may not be able to sustain or improve the growth in our revenue from operations that we witnessed in the past.

### ***Wellness and Preventive Testing***

We offer wellness and preventive tests under our “Aarogyam” brand to our end customers. Our wellness and preventive offerings currently constitute a significant proportion of our revenue. We expect this brand and associated revenues to continue to grow at a fast pace given the rising incidence of lifestyle diseases, increasing awareness of the benefits of preventive testing and the rising middle-income population. In the six months ended September 30, 2015 and Fiscal 2015, our wellness and preventive health test offerings contributed to approximately 53 per cent and 51 per cent of our total revenue from sale of diagnostic services.

We are in the process of increasing the number of personnel in our employment and have recently set up an in-house marketing team and a network development team, and are expanding our call center operations to directly market our wellness and preventive offerings to referring doctors and retail customers. These measures may lead to an increase in our staff costs as well as our business promotion and advertisement expenses and, if we are unable to commensurately grow our revenues, our results of our operations and our financial condition may be materially and adversely impacted.

### ***Relationship with our vendors governing our cost of equipment and re-agents***

We enjoy strong relationships with our vendors of analyzers as well as suppliers of reagents and consumables. We have different set of arrangements with our vendors for the CPL and our RPLs. For the CPL, we typically enter into equipment leasing arrangements with most of our vendors under which the vendors place their analyzers at our premises at little or no capital cost to us, and in return, we place orders for committed quantities or value of reagents and consumables from the vendors for the period of the arrangement. In certain cases, we enter into arrangements like the one we currently have with Transasia Bio-Medicals Limited wherein we have bought four analyzers and they have in turn placed four additional analyzers at no additional cost at our premise in exchange for committed purchase of reagents and consumables.

In the event we are unable to meet our obligations under the said arrangements in terms of placing orders for the committed quantity or value of reagents and consumables, the vendors may at their discretion recall the analyzers and discontinue supplies to us. Further, the vendors may also at their discretion and subject to providing adequate notice to us in terms of the arrangements, recall their analyzers without assigning reasons thereof, which may significantly affect our operations. If we are unable to enter into arrangements with other vendors on no less favorable terms and in a timely fashion or if we are unable to enter into such arrangements in the future, the results of our operations and our financial condition may be materially and adversely impacted.

For the RPLs, as the capital outlay to purchase the machines needed to perform the routine tests conducted at the RPLs is modest, we purchased such machines outright. The relationship and business model between the RPLs and the vendors with respect to the reagent and consumable costs is therefore different, as the RPLs enjoy lower costs as a result of their ownership of the machines.

Further, the price of re-agents purchased by us from most of our vendors has been agreed in US dollar terms. Thus, the devaluation of the Indian rupee against the US dollar results in an increase in our re-agent costs in rupees.

### ***Performance of our Subsidiary - Nueclear Healthcare Limited (NHL)***

Pursuant to our acquisition of additional equity shares of NHL in November 2014, our holding in NHL increased to 58.5 per cent of its outstanding equity share capital and NHL became our subsidiary with effect therefrom. Subsequently, on December 16, 2015, we acquired the remaining 41.5 per cent of the outstanding share capital of NHL from its existing shareholders, on account of which it has become our wholly owned subsidiary. The results of operations of NHL have been consolidated in our books of accounts from the Fiscal 2015. Through NHL, we are developing a network of molecular imaging centers (radiology) focusing on early and effective cancer monitoring. We currently have five operating PET-CT scanners in our three centers: two in Navi Mumbai, two in the New Delhi and one in Hyderabad For further information on the business of NHL, see the section entitled “Our Business” on page 115.

NHL has a limited operational history having commenced its operations as recently as towards the end of Fiscal 2013. NHL’s business model is untested in the diagnostic imaging industry; it offers its PET-CT scans at extremely competitive rates and relies on high scanning volumes to drive its revenue growth. NHL may continue to incur high capital expenditure in the installation and commissioning of PET-CT scanners, which we may need either to fund ourselves or seek external funding for, thereby diluting our stake in NHL. NHL also

operates in a highly regulated industry and the costs of compliance could be higher than what we currently incur as part of our clinical laboratory business.

In the six months ended September 30, 2015 and the year ended March 31, 2015, NHL incurred a loss of ₹18.55 million and ₹72.71 million, respectively. If NHL experiences losses over extended periods it could materially impact the ability of NHL to operate its business and implement growth plans. Further, we cannot assure you that NHL will turn profitable in the near future. Going forward, as we consolidate the results of operations of NHL in our books of accounts, our results of operations on a consolidated basis may be materially and adversely impacted. See the section entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations of Neuclear Healthcare Limited*” on page 315.

Further, NHL also owns and operates a medical cyclotron unit in Navi Mumbai, which produces the radioactive bio-marker FDG required for PET-CT scanning, which it acquired from the Company in March 2015 on a going concern basis, pursuant to a Slump Sale Agreement. For further details, see the section entitled “*History and Certain Corporate Matters*” on page 147.

On July 20, 2015, our Company commenced outsourcing arrangements with NHL for the provision of certain periphery services to them. Our services include marketing, promotional and booking assistance, referrals and the solicitation of business through authorized service providers, patients and medical professionals. In exchange for the provision of these services, our Company receives 20% of NHL’s revenue generated through our channels. In accordance with our accounting policies, we now realize the complete revenue generated from such PET-CT scans in our books of accounts, of which 80% is recognized as an expense in our books of accounts and paid to NHL for providing PET-CT scanning services.

### **Significant Accounting Policies**

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting, in accordance with the Generally Accepted Accounting Principles in India (‘GAAP’), mandatory accounting standards as notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of Companies Act, 2013 to the extent applicable to the Company. All income and expenditure having a material bearing on the financial statements are recognised on accrual basis. The financial statements have been presented based on Schedule III to the Companies Act, 2013.

The preparation of financial statements in conformity with generally accepted accounting principles (‘GAAP’) in India requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management’s evaluation of the relevant facts and circumstances as of the date of financial statements which in management’s opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

Our significant accounting policies are summarized below. For a full description of our significant accounting policies adopted in the preparation of the Restated Standalone Summary Financial Statements, see the section entitled “*Financial Statements*” on page 176.

#### *Basis of Accounting and presentation*

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting, in accordance with the Generally Accepted Accounting Principles in India (‘GAAP’), mandatory accounting standards as notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of Companies Act, 2013 to the extent applicable to the Company. All income and expenditure having a material bearing on the financial statements are recognised on accrual basis. The financial statements have been presented based on Schedule III to the Companies Act, 2013.

#### *Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles (‘GAAP’) in India requires management to make estimates and assumptions that affect the reported amount of assets,

liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### *Current non-current classification*

All assets and liabilities are classified into current and non-current.

#### *Assets*

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

#### *Liabilities*

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in the settlement by the issue of equity investments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

#### *Operating cycle*

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. All assets and liabilities have been classified as current or non-current as per the criteria set out in Schedule III of the Companies Act, 2013. Normal operating cycle for the Company is 12 months.

#### *Inventories*

Inventories comprise of reagents, diagnostic material, consumables and stock in trade, which are valued at lower of cost and net realisable value. Cost is determined under the first in first out method and includes all costs incurred in bringing the inventories to their present location and condition.

#### *Cash and cash equivalents (for purposes of Cash Flow Statement)*

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with original maturity of less than three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk or changes in value.

#### *Cash flow statement*

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### *Revenue recognition*

Revenue from testing services is recognised once the testing samples are processed for diagnostic tests requisitioned.

Revenue from imaging services is recognised once the services are rendered.

Revenue from sale of products is recognised when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of products. Sales are accounted net of sales tax and trade discounts, if any.

Revenue from technical assistance and trade mark assignment is recognised once the Company's right to receive the revenue is established by the reporting date. Revenue from technical assistance and trademark is recognised as per the agreed percentage of the turnover of the respective entities, as per the terms of the agreement.

Interest income is recognized using the time proportion method, based on the underlying interest rates. Dividend income if any is recognized when the right to receive dividend is established.

#### *Fixed assets and depreciation*

##### *Tangible fixed assets:*

Tangible assets are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes inward freight, duties, taxes (to the extent not recoverable from tax authorities) and expenses incidental to acquisition and installation of the fixed assets up to the time the assets are ready for intended use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

In respect of fixed assets purchased during the period, the depreciation is provided on a pro rata basis from the date on which such asset is ready to be put to use. Depreciation on tangible fixed assets, except leasehold land, is provided under the written down value method at the rates prescribed in Schedule II to the Act, which in the opinion of management reflects the economic useful lives of assets. Depreciation on sale of assets is provided up to the date of sale of the asset. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at higher rate based on the management's estimate of the useful life/ remaining useful life.

Leasehold land is amortised on a straight line basis over the primary period of lease.

##### *Intangible fixed assets:*

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset. Intangible assets are amortised over the estimated useful life not exceeding 5 years.

#### *Impairment*

In accordance with AS 28 on 'impairment of assets', other fixed assets (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable

amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. 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 or CGU.

Impairment losses are recognised in profit or loss. However, an impairment loss on a revalued asset is recognised directly against any revaluation surplus to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. The impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the profit or loss; however, in the case of revalued assets, the reversal is credited directly to revaluation surplus except to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss.

#### *Investments*

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current–non-current classification scheme of Schedule III of the Companies Act, 2013.

Long term investments are stated at cost. Provision for diminution in value is made only when in the opinion of the management there is a diminution other than temporary in the carrying value of such investments determined separately for each investment. Current investments are valued at lower of cost and market value.

#### *Leases*

Operating lease payments are recognised as an expense on a straight-line basis over the non cancellable period of the lease term and charged to the Statement of profit and loss unless other systematic basis is more representative of the time pattern of the benefit. Any modifications in respect of lease terms or assumptions are recorded prospectively.

#### *Foreign exchange transactions*

Foreign exchange transactions are recorded into Indian rupees using the average of the opening and closing spot rates on the dates of the respective transaction. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the Statement of profit and loss of the period.

Monetary items (including long-term monetary items) in foreign currency, which are outstanding as at the year-end are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of profit and loss. Non-monetary foreign currency items are carried at cost.

#### *Employee Benefits:*

##### *Short-term employee benefits:*

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include salary, wages and bonus, compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period of rendering of service by the employees.

##### *Post employee benefits:*

### Defined contribution plans

The Company has defined contribution plans for post employment benefits namely Provident Fund. Under the provident fund plan, the Company contributes to a Government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution. The Company makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995 and has no further obligation beyond making the payment to them. The Company's contributions to the above funds are charged to the Statement of profit and loss every year.

### Defined benefit plans

The Company's gratuity benefit scheme are defined benefit plans. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

### Other long-term employment benefits

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

### *Earnings per share:*

Basic EPS is computed by dividing the net profit attributable to shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti dilutive.

### *Employee stock options:*

The excess of the market price of shares, at the date of grant of options under the Employees Stock Option Scheme of the Company, over the exercise price is regarded as employee compensation, and recognised on a straight-line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

### *Taxes on Income*

#### Income tax

Income tax expense comprises current tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions, in accordance with the Income tax Act, 1961.

#### Deferred tax

Deferred tax charge or credit and the corresponding deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/ losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

#### *Provisions and contingencies*

Provision is recognised in the balance sheet when the Company has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimation can be made of the amount required to settle the obligation. Contingent liabilities arising from claims, litigation, assessment, fines, penalties etc. are disclosed when there is a possible obligation or a present obligation as a result of a past event where it is not probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reasonably estimated. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosures is made.

#### **Basis of preparation of our Restated Standalone Summary Financial Statements**

Our Restated Standalone Financial Statements have been derived from the then audited financial statements of the Company for the corresponding years. The Restated Standalone Financial Statements have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with SEBI in connection with proposed Initial Public Offering of existing equity shares of the Company.

The Restated Standalone Financial Statements have been prepared in accordance with the requirements of:

(a) sub clause (i) and (iii) of clause (b) of sub section (1) of section 26 of the Companies Act, 2013; and

(b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time.

The Restated Standalone Financial Statements have been prepared after incorporating adjustments for the material amounts in the respective years to which they relate. There are no changes to accounting policies or incorrect accounting policies or auditors' qualification which require adjustment. The Restated Standalone Financial Statements were approved by the Board of Directors on December 24, 2015.

In Fiscal 2013, our Company made a preferential allotment of Equity Shares to a party covered in the register maintained under section 301 of the Companies Act 1956, pursuant to a special resolution passed at an extraordinary general meeting of the Shareholders, at a value arrived at in accordance with the net asset method, as per the valuation report prepared by a firm of chartered accountants. However, our Statutory Auditors have remarked that this method of valuation of Equity Shares may not be appropriate and, in the absence of any other valuation carried out by our Company to determine the fair value of Equity Shares of our Company, our Statutory Auditors were unable to comment on clause xviii (which pertains to the method of valuation of the Equity Shares) of the Independent Auditor's Report for Fiscal 2013.

#### **Results of Operations**

The table below sets forth a summary of our financial results containing significant items of our income and expenses for the six months ended September 30, 2015, Fiscal 2015, 2014 and 2013 based on our Restated Standalone Financial Statements included in the section entitled "*Financial Statements*" on page 176 of this Draft Red Herring Prospectus.



| Particulars                                             | For the six months ended September 30, 2015 |                       | For the year ended March 31, 2015 |                       | For the year ended March 31, 2014 |                       | For the year ended March 31, 2013 |                       |
|---------------------------------------------------------|---------------------------------------------|-----------------------|-----------------------------------|-----------------------|-----------------------------------|-----------------------|-----------------------------------|-----------------------|
|                                                         | Amount in ₹ million                         | % of our total income | Amount in ₹ million               | % of our total income | Amount in ₹ million               | % of our total income | Amount in ₹ million               | % of our total income |
| <b>Income</b>                                           |                                             |                       |                                   |                       |                                   |                       |                                   |                       |
| Revenue from operations                                 | 1,144.14                                    | 97.76                 | 1,800.76                          | 96.27                 | 1,499.78                          | 95.80                 | 1,342.61                          | 95.91                 |
| Other income                                            | 26.18                                       | 2.24                  | 69.70                             | 3.73                  | 65.77                             | 4.20                  | 57.25                             | 4.09                  |
| <b>Total Income</b>                                     | <b>1,170.32</b>                             | <b>100.00</b>         | <b>1,870.46</b>                   | <b>100.00</b>         | <b>1,565.55</b>                   | <b>100.00</b>         | <b>1,399.86</b>                   | <b>100.00</b>         |
| <b>Expenditure</b>                                      |                                             |                       |                                   |                       |                                   |                       |                                   |                       |
| Cost of materials consumed                              | 307.46                                      | 26.27                 | 486.56                            | 26.01                 | 362.10                            | 23.13                 | 296.73                            | 21.20                 |
| Purchase of Stock in Trade                              | 29.40                                       | 2.51                  | 66.70                             | 3.57                  | 63.96                             | 4.09                  | 59.60                             | 4.26                  |
| Change in Inventory of Stock in Trade                   | 4.05                                        | 0.35                  | (1.03)                            | (0.06)                | (0.96)                            | (0.06)                | (0.42)                            | (0.03)                |
| Employee benefits                                       | 99.97                                       | 8.54                  | 172.61                            | 9.23                  | 120.88                            | 7.72                  | 90.28                             | 6.45                  |
| Other expenses                                          | 220.51                                      | 18.84                 | 343.11                            | 18.34                 | 267.00                            | 17.05                 | 261.78                            | 18.70                 |
| Depreciation/ amortization                              | 51.60                                       | 4.41                  | 107.09                            | 5.73                  | 63.62                             | 4.06                  | 33.15                             | 2.37                  |
| <b>Total Expenditure</b>                                | <b>712.99</b>                               | <b>60.92</b>          | <b>1,175.04</b>                   | <b>62.82</b>          | <b>876.60</b>                     | <b>55.99</b>          | <b>741.12</b>                     | <b>52.94</b>          |
| <b>Profit / (loss) before exceptional items and tax</b> | <b>457.33</b>                               | <b>39.08</b>          | <b>695.42</b>                     | <b>37.18</b>          | <b>688.95</b>                     | <b>44.01</b>          | <b>658.74</b>                     | <b>47.06</b>          |
| Exceptional items                                       | -                                           | -                     | 20.77                             | 1.11                  | -                                 | -                     | 120.00                            | 8.57                  |
| <b>Net profit / (loss) before tax</b>                   | <b>457.33</b>                               | <b>39.08</b>          | <b>716.19</b>                     | <b>38.29</b>          | <b>688.95</b>                     | <b>44.01</b>          | <b>778.74</b>                     | <b>55.63</b>          |
| Less: Provision for tax                                 |                                             |                       |                                   |                       |                                   |                       |                                   |                       |
| Current tax / minimum alternate tax                     | 157.00                                      | 13.42                 | 250.00                            | 13.37                 | 222.03                            | 14.18                 | 207.13                            | 14.80                 |
| Deferred tax charge / (benefit)                         | (4.54)                                      | (0.39)                | (18.31)                           | (0.98)                | 5.36                              | 0.34                  | 3.42                              | 0.24                  |
| <b>Total provision for tax</b>                          | <b>152.46</b>                               | <b>13.03</b>          | <b>231.69</b>                     | <b>12.39</b>          | <b>227.39</b>                     | <b>14.52</b>          | <b>210.55</b>                     | <b>15.04</b>          |
| <b>Net profit after tax, as restated</b>                | <b>304.87</b>                               | <b>26.05</b>          | <b>484.50</b>                     | <b>25.90</b>          | <b>461.56</b>                     | <b>29.48</b>          | <b>568.19</b>                     | <b>40.59</b>          |

#### Description of Income and Expenditure Items

##### Total Income

Our total income comprises of

- Revenue from operations; and
- Other income

#### *Revenue from operations*

Our revenue from operations is derived primarily from rendering diagnostic testing services. We operate a hub-and-spoke model wherein our authorized service providers are responsible for procuring samples from hospitals, laboratories, pathologies, referring doctors as well as end customers namely walk-in patients as well as part of our home collection centres.

We charge our authorized service providers uniform test rates (“**B2B Rates**”) for samples sourced by them. These B2B Rates are revised from time to time by the management when deemed necessary. The authorized service providers are in turn provided with indicative Patient Rates (“**B2C Rates**”) rates that they may charge to their end customers depending on the nature of such customers.

We also market our wellness and preventive profile tests under the ‘Aarogyam’ brand directly to the end customers through our web portal, in-house call centre and independent direct selling associates (“**DSAs**”). In such cases we charge the B2C Rates either directly to the end customer in case of online test registration or to our authorized service providers who collect samples from these end customers. The authorized service providers in turn charge us service charges for collection services rendered by them. Further in the case of DSA referred customers, we pay the DSAs sales incentives.

With effect from July 20, 2015, we commenced recognition of full gross revenue, in our standalone accounts, from PET-CT scans performed as part of the NHL’s business. As per our outsourcing arrangement with NHL, 80% of such revenue is subsequently recorded as outlab processing cost in our books of accounts and paid to NHL for providing PET-CT scanning services.

Our revenue from operations also include sale of products such as glucose strips, gluco meters, and iodized salt to third parties and sale of vials, tubes and kits and such other ancillary products at cost to our authorized service providers.

Our revenue from operations also includes other operating revenue which includes non refundable association charges received from our authorised service providers, other charges and penalties levied on authorized service providers for non-compliance with agreed quality standards and other terms as set out in the franchisee agreement entered into with them.

#### *Other income*

Our other income comprises primarily of dividend on mutual fund investments, net gains on sale of current and non-current investments, interest of fixed deposits and rental receipts. For further information, please see the section entitled “*Related Party Transactions*” on page 174.

#### **Total Expenditure**

Our total expenditure comprises of (i) cost of materials consumed; (ii) purchases of stock-in-trade; (iii) changes in inventories of stock-in-trade; (iv) employee benefits; (v) depreciation and amortization expense, and (vi) other expenses.

The following table sets out the principal components of our expenditure and as a percentage of our total expenditure, for the periods indicated.

| Particulars        | For the six months ended September 30, 2015 |                            | For the year ended March 31, 2015 |                            | For the year ended March 31, 2014 |                            | For the year ended March 31, 2013 |                            |
|--------------------|---------------------------------------------|----------------------------|-----------------------------------|----------------------------|-----------------------------------|----------------------------|-----------------------------------|----------------------------|
|                    | Amount in ₹ million                         | % of our total expenditure | Amount in ₹ million               | % of our total expenditure | Amount in ₹ million               | % of our total expenditure | Amount in ₹ million               | % of our total expenditure |
| <b>Expenditure</b> |                                             |                            |                                   |                            |                                   |                            |                                   |                            |
| Cost of            |                                             | 43.12                      |                                   | 41.41                      |                                   | 41.31                      |                                   | 40.04                      |

| Particulars                           | For the six months ended September 30, 2015 |                            | For the year ended March 31, 2015 |                            | For the year ended March 31, 2014 |                            | For the year ended March 31, 2013 |                            |
|---------------------------------------|---------------------------------------------|----------------------------|-----------------------------------|----------------------------|-----------------------------------|----------------------------|-----------------------------------|----------------------------|
|                                       | Amount in ₹ million                         | % of our total expenditure | Amount in ₹ million               | % of our total expenditure | Amount in ₹ million               | % of our total expenditure | Amount in ₹ million               | % of our total expenditure |
| materials consumed                    | 307.46                                      |                            | 486.56                            |                            | 362.10                            |                            | 296.73                            |                            |
| Purchase of Stock in Trade            | 29.40                                       | 4.12                       | 66.70                             | 5.68                       | 63.96                             | 7.30                       | 59.60                             | 8.04                       |
| Change in Inventory of Stock in Trade | 4.05                                        | 0.57                       | (1.03)                            | (0.09)                     | (0.96)                            | (0.11)                     | (0.42)                            | (0.06)                     |
| Employee benefits                     | 99.97                                       | 14.02                      | 172.61                            | 14.69                      | 120.88                            | 13.79                      | 90.28                             | 12.18                      |
| Other expenses                        | 220.51                                      | 30.93                      | 343.11                            | 29.20                      | 267.00                            | 30.46                      | 261.78                            | 35.32                      |
| Depreciation/ amortization            | 51.60                                       | 7.24                       | 107.09                            | 9.11                       | 63.62                             | 7.26                       | 33.15                             | 4.47                       |
| <b>Total Expenditure</b>              | <b>712.99</b>                               | <b>100.00</b>              | <b>1,175.04</b>                   | <b>100.00</b>              | <b>876.60</b>                     | <b>100.00</b>              | <b>741.12</b>                     | <b>100.00</b>              |

#### *Cost of materials consumed*

Our cost of materials constitutes a major portion of our expenses and comprises of cost of reagents and other consumables used by us for the purpose of rendering diagnostic testing services.

#### *Purchases of stock-in-trade*

Our purchases of stock-in-trade comprise of purchases of ancillary testing products such as glucose strips, gluco meter, vials, tubes and kits.

#### *Changes in inventories of stock-in-trade*

Our changes in inventories of stock-in-trade comprise of changes in inventories of glucose strips, gluco meter, vials, tubes and kits and such other ancillary products.

#### *Employee benefits*

Our employee benefits expenses comprise of salaries and wages, contributions to provident and other funds, gratuity, leave encashment, and staff welfare expenses. With effect from September 2014, we have instituted ESOP Schemes and our employee benefit expenses for the six months ended September 30, 2015 and Fiscal 2015 include expense arising on account of employee stock compensation. For further details on our ESOP Schemes, see the section entitled “*Capital Structure*” on page 84.

#### *Other expenses*

Our other expenses include service charges credited to our authorized service providers for collection of samples from customers procured by our in-house marketing team and DSAs, sales incentive paid to our DSAs, out-lab processing costs, rent, rates and taxes, printing and stationery, power, fuel and water charges, advertisement and business promotion expenses and other similar ancillary expenses.

#### **Six months ended September 30, 2015 (Six Months Fiscal 2016)**

Our results from operations for the six months ended September 30, 2015 were particularly impacted by the following factors:

- Continued development of our RPL network which contributed to growth in our volumes of samples processed and tests undertaken;
- Growth of our network of authorized service providers, which contributed to sample and test volume increases;
- Commencement of revenue recognition from our outsourcing arrangement with NHL;
- Continued focus on our high value wellness and preventive health test offerings;
- Increased costs of materials consumed due to an increase in test volumes coupled with an increase in the Rupee price of reagents due to the devaluation of the Rupee against the U.S. dollars; and
- Increase in other expenses primarily from an increase in outlab processing cost due to our outsourcing arrangement with NHL, services charges paid to our authorized service providers for collecting samples and an increase in business promotion & advertisement costs.

### **Total Income**

Our total income was ₹1170.32 million in the six months ended September 30, 2015, of which ₹ 1,144.14 million was derived from revenue from operations.

*Revenue from operations:* Our revenue from operations was ₹ 1,144.14 million for the six months ended September 30, 2015. Revenue from operations benefited from the continued growth in the volumes of samples processed by us primarily on account of roll out of our RPL network and growth of our network of authorized service providers. Further, our high value wellness and preventive health test offerings continued to gain focus and constituted 53% of our revenue from operations. We commenced outsourcing arrangements with NHL in July 2015, pursuant to which we recognized ₹ 27.88 million in our books of accounts, being the gross revenue from PET-CT scans performed by NHL.

Other operating revenue was ₹ 42.27 million in the six months ended September 30, 2015. This other operating revenue comprises non refundable association charges received from our authorised service providers, other charges and penalties levied on authorized service providers for non-compliance with agreed quality standards and other terms as set out in the franchisee agreement entered into with them.

*Other income:* Our other income was ₹26.18 million in the six months ended September 30, 2015. This consisted primarily of dividends from mutual funds of ₹9.33 million, gains on sale of current investments (net) of ₹5.54 million and miscellaneous income of ₹7.23 million.

### **Total Expenses**

Our total expenses were ₹712.99 million for the six months ended September 30, 2015. Our total expenses as a percentage of total revenues were 60.92% in the six months ended September 30, 2015

*Cost of materials consumed:* Our expenditures in relation to cost of materials consumed were ₹307.46 million for the six months ended September 30, 2015. During the said period, our cost of materials consumed as a percentage of total revenues amounted to 26.27%, which was broadly in line with Fiscal 2015.

*Purchase of stock-in trade and change in inventory of stock-in trade:* Our expenditures in relation to purchases of stock-in trade were ₹29.40 million for the six months ended September 30, 2015, which amounted to 2.51% of the total revenues for the said period. The change in inventory of stock-in trade was ₹4.05 million in the six months ended September 30, 2015.

*Employee benefits:* Our employee benefits expense was ₹99.97 million for the six months ended September 30, 2015. Employee benefits expense as a percentage of total revenues was 8.54% for the said period. Our headcount of employees increased from 553 at March 31, 2015 to 641 at September 30, 2015 and compensation expenses continued to grow with customary incremental increases in line with Fiscal 2015. Further, our employee benefit expense also included employee stock compensation expense of ₹7.64 million pertaining to the recently instituted ESOP scheme.

*Other expenses:* Our other expenses were ₹220.51 million in the in the six months ended September 30, 2015. Our other expenses as a percentage of total revenues was 18.84% in the six months ended September 30, 2015.

Other expenses in the six months ended September 30, 2015 were primarily impacted by (i) outlab processing cost due to our outsourcing arrangement with NHL, (ii) growth in services charges paid to our authorized service providers for collecting samples reflecting growth in our online and other direct sales, and (iii) growth in business promotion & advertising costs associated with wellness and preventive health tests offerings.

*Depreciation and Amortization:*

Our depreciation and amortization expenses were ₹51.60 million in the six months ended September 30, 2015. Depreciation and amortization expenses as a percentage of total revenues were 4.41% in the six months ended September 30, 2015. Our depreciation and amortization expenses in the six months ended September 30, 2015 reflects additional capital expenditure incurred to set up our RPL network offset by the effect of the sale of the cyclotron to NHL.

***Profit before Exceptional items, Interest, Tax, Depreciation and Amortisation***

Our profit before exceptional items, interest, tax, depreciation and amortization for the six months ended September 30, 2015 was ₹ 508.93 million, which, as a percentage of our total income was 43.49% for the period.

***Profit before exceptional items and tax***

Profit before exceptional items and tax was ₹457.33 million in the six months ended September 30, 2015.

***Total provision for tax***

Our total provision for tax was ₹152.46 million in the six months ended September 30, 2015.

***Net profit after tax***

Our net profit was ₹304.87 million in the six months ended September 30, 2015. As a percentage of total revenues, our net profit was 26.05% in the six months ended September 30, 2015.

**Results for Fiscal 2015 compared with Fiscal 2014**

Our results from operations for Fiscal 2015 were particularly impacted by the following factors:

- Introduction of our RPL network in 2015, which contributed to our volume increases of samples processed and tests undertaken;
- Growth of our network of authorized service providers, which contributed to sample and test volume increases;
- Continued focus on our high value wellness and preventive health test offerings;
- Increased costs of materials consumed due to an increase in test volumes coupled with an increase in the Rupee price of reagents due to the devaluation of the Rupee against the U.S. dollars Increase in employee benefits costs;
- Increase in depreciation and amortization costs; and
- Increase in other expenses primarily from an increase services charges paid to our authorized service providers for collecting samples and an increase in sales incentives paid to our DSAs

***Total Income***

Our total income increased by 19.48% to ₹1,870.46 million in Fiscal 2015 from ₹1,565.55 million in Fiscal 2014 primarily due to increased revenue from our operations.

***Revenue from operations:***

Our revenue from operations increased by 20.07% to ₹1,800.76 million in Fiscal 2015 from ₹1,499.78 million in Fiscal 2014. This increase was primarily driven by 15.59% increase in our revenue from sale of diagnostic and imaging services to ₹1,597.51 million in Fiscal 2015 from ₹1,381.99 million in Fiscal 2014.

The increase in our revenue from sale of diagnostic and imaging services was primarily on account of an increase in the volume of samples we processed and tests we undertook as well as the continued focus on the wellness and preventive health test offerings under our Aarogyam brand. The volume of samples processed by

us increased by approximately 29.67% from 7.01 million samples in Fiscal 2014 to 9.09 million samples in Fiscal 2015. This increase was partially offset by a reduction in prices for some of our offering of tests adopted as a strategy to garner higher patient response.

We commenced setting up RPLs in 2015, which processed samples sourced from their respective regions. This coupled with an expansion of our network of authorized service providers from 782 as on March 31, 2014 to 1,051 as on March 31, 2015 contributed to the increase in volume of samples and tests processed by us.

The contribution of wellness and preventive offering to our revenue from sale of diagnostic and imaging services continued to strengthen and increased to 51% in Fiscal 2015 from 48% in Fiscal 2014 and 41% in Fiscal 2013.

Our revenue from sale of ancillary testing products increased by 48.33% to ₹119.89 million in Fiscal 2015 from ₹80.82 million in Fiscal 2014 primarily on account of the commencement of cyclotron operations and first sales of Radioactive pharmaceutical (FDG) to NHL and third parties in Fiscal 2015. Our cyclotron was sold to NHL on March 26, 2015 pursuant to a Slump Sale Agreement.

Our other operating revenue increased by 125.48% to ₹83.36 million in Fiscal 2015 from ₹36.97 million in Fiscal 2014, primarily due to code operating charges and other charges levied by us on our authorised service providers to compensate for reduction in the prices and attainment of growth targets and further due to growth in charges and penalties levied by us on our authorized service providers for non-compliance with terms and policies, instructions and standards prescribed. This growth in penalties and charges was generally in line with overall increase in the size of our authorized service provider network.

#### *Other income:*

Our other income increased by 5.98% to ₹69.70 million in Fiscal 2015 from ₹65.77 million in Fiscal 2014. The increase was primarily attributable to (i) an increase in dividends from mutual funds from ₹27.16 million in Fiscal 2014 to ₹51.21 million in Fiscal 2015 and (ii) an increase in technical assistance / trademark assignment fees charged to group companies from ₹2.52 million in Fiscal 2014 to ₹5.83 million in Fiscal 2015 offset by a (x) decrease in miscellaneous income from ₹18.55 million in Fiscal 2014 to ₹2.42 million in Fiscal 2015, (y) a decrease in the income from interest received on fixed deposits from ₹6.98 million in Fiscal 2014 to ₹3.30 million in Fiscal 2015 and (z) a decrease in gains from the sale of current investments from ₹10.13 million in Fiscal 2014 to ₹6.93 million in Fiscal 2015.

#### **Total Expenses**

Our total expenses increased by 34.05% to ₹1,175.04 million in Fiscal 2015 from ₹876.60 million in Fiscal 2014 primarily due to the increase in cost of materials consumed as well as increased employee benefits expenses, depreciation and amortization and other expenses.

#### *Cost of materials consumed*

Our cost of materials consumed increased by 34.37% to ₹486.56 million in Fiscal 2015 from ₹362.10 million in Fiscal 2014. Our costs of materials as a percentage of total revenues increased from 23.13% in Fiscal 2014 to 26.01% in Fiscal 2015. This increase was primarily on account of our greater volumes of reagents consumed as our test volume increased by 37.09 % in Fiscal 2015 as compared to Fiscal 2014. Further, the price of re-agents purchased by us from most of our vendors has been agreed in US dollar terms. Thus, a poor performance of the Indian rupee in Fiscal 2015 against the US dollar further contributed to increase in the re-agent cost. In addition, we also incurred the costs of reagents and materials for new technologies introduced in Fiscal 2015.

#### *Purchase of stock-in trade and change in inventory of stock-in trade*

Purchase of stock-in-trade increased by 4.28% to ₹66.70 million in Fiscal 2015 from ₹63.96 million in Fiscal 2014. Our Purchase of stock-in-trade as a percentage of total revenues decreased from 4.09% in Fiscal 2014 to 3.57% in Fiscal 2015. This increase in purchase of stock-in-trade was primarily due to greater volumes of traded material sold during Fiscal 2015 as compared to Fiscal 2014. The inventory of stock in trade also witnessed an increase by ₹1.04 million in Fiscal 2015.

#### *Employee benefits*

Our expense in relation to employee benefits increased by 42.80% to ₹172.61 million in Fiscal 2015 from ₹120.88 million in Fiscal 2014. This rise was driven by the introduction of the employee compensation stock options granted in Fiscal 2015, an increase in our average number of employees to 553 in Fiscal 2015 from 411 in Fiscal 2014 and an increase in average compensation on account of annual incremental increases in Fiscal 2015.

#### *Other expenses*

Our other expenses increased by 28.51% to ₹ 343.11 million in Fiscal 2015 from ₹267.00 million in Fiscal 2014 primarily on account of (i) an increase services charges paid to our authorized service providers for collecting samples reflecting growth in our online and other direct sales, (ii) an increase in sales incentives paid to our DSAs, (iii) an increase in business promotion costs associated with wellness and preventive health tests offerings, (iv) an increase in power, fuel and water charges, (v) an increase in legal and professional fees due to PhD consultants hired for accreditation purposes, (vi) printing and stationery costs, (vii) an increase in rates and taxes and (viii) non recurring expenses in term of share issue expenses debited to profit and loss account, partially offset by (x) lower advertisement expenses and (y) postage and courier expenses.

#### *Depreciation and Amortization*

Our depreciation and amortization expenses increased by 68.33% to ₹107.09 million in Fiscal 2015 from ₹63.62 million in Fiscal 2014 primarily due to the medical cyclotron which started commercial production in Fiscal 2015, capitalisation of automation track equipment for the CPL and capitalisation of other equipment for our CPL and RPLs.

#### ***Profit before Exceptional items, Interest, Tax, Depreciation and Amortisation***

Our profit before exceptional items, interest, tax, depreciation and amortization registered an increase of 6.63% from ₹ 752.58 million in Fiscal 2014 to ₹ 802.50 million in Fiscal 2015. As a percentage of our total income, our profit before exceptional items, interest, tax, depreciation and amortization was 48.07% for Fiscal 2014 and 42.90% for Fiscal 2015.

#### ***Profit before exceptional items and tax***

Our profit before exceptional items and tax increased by 0.94% to ₹695.42 million in Fiscal 2015 from ₹688.95 million in Fiscal 2014, primarily on account of the growth in our overall business operations as described above.

In Fiscal 2015, we had an exceptional gain of ₹20.77 million from the profit on the sale of the cyclotron to NHL.

#### ***Total provision for tax***

Our total provision for tax increased by 1.89% to ₹231.69 million in Fiscal 2015 from ₹227.39 million in Fiscal 2014 primarily as a result of our higher profit from operations in Fiscal 2015 as compared to Fiscal 2014 and the exceptional gain from the sale of the cyclotron. Our effective tax rates were 32.35% and 33% in Fiscal 2015 and Fiscal 2014, respectively.

#### ***Net profit after tax***

As a result of the factors mentioned above, our net profit after tax increased by 4.97% to ₹484.50 million in Fiscal 2015 from ₹461.56 million in Fiscal 2014.

For a description of our dividends paid and our dividend policy, see the section entitled “*Dividend Policy*” on page 175.

#### **Results for Fiscal 2014 compared with Fiscal 2013**

Our results from operations for the Fiscal 2014 were particularly impacted by the following factors:

- Increase in the volume of samples processed and tests undertaken;
- Focus on our wellness and preventive health test offerings;
- Increase in employee benefits costs; and
- Increase in depreciation and amortization costs.

### **Total Income**

Our total income increased by 11.84% to ₹1,565.55 million in Fiscal 2014 from ₹1,399.86 million in Fiscal 2013 primarily due to increased revenue from our operations.

#### **Revenue from operations:**

Our revenue from operations increased by 11.71% to ₹1,499.78 million in Fiscal 2014 from ₹1,342.61 million in Fiscal 2013. This was primarily driven by 11.91% increase in our revenue from sale of diagnostic services to ₹1,381.99 million in Fiscal 2014 from ₹1,234.91 million in Fiscal 2013.

The increase in our revenue from sale of diagnostic services was primarily on account of an increase in the volume of samples we processed and tests we undertook as well as the continued focus on the wellness and preventive health test offerings under our Aarogyam brand. We were able to marginally improve on our per sample revenue despite a reduction in December 2013 in our Test Rates for thyroid tests which is one of our key offerings. This was on account of our continued focus on the wellness and preventive health test offerings as further described below.

In December 2012, we also launched under our Aarogyam brand a 'profile of profiles' package termed Aarogyam 1.1. Under this package we bunched together several profiles of tests including lipid profiles, liver profiles and thyroid profiles with the objective of improving our average revenue per sample. This also contributed to the increase we witnessed in the share of our wellness and preventive health tests offerings in our revenue from sale of diagnostic services in Fiscal 2014.

Our revenue from sale of ancillary testing products increased by 11.3% to ₹80.82 million in Fiscal 2014 from ₹72.60 million in Fiscal 2013 primarily on account of increase in volume of sales in glucose strips, gluco meters, vials, tubes, kits and other consumables that was partly offset by the discontinuance in the sale of iodized salt. While we supply our vials, tubes, kits and other consumables to our authorized service providers at cost, we import and sell the glucose strips and gluco meters to our authorized service providers as well as third parties at a mark up to our landed cost.

Our other operating revenue increased by 5.33% to ₹36.97 million in Fiscal 2014 from ₹35.10 million in Fiscal 2013 primarily due to increased charges and penalties levied by us on our authorized service providers for non-compliance with terms and policies, instructions and standards prescribed.

#### **Other income:**

Our other income increased by 14.88% to ₹65.77 million in Fiscal 2014 from ₹57.25 million in Fiscal 2013.

This consisted of a ₹2.52 million of technical assistance / trademark assignment fees charged to group companies, Thyrocare International Holding Company Limited, Mauritius and Thyrocare Gulf Laboratories WLL, which was not accrued in Fiscal 2013, a reduction in the income from interest received on fixed deposits from ₹37.83 million in Fiscal 2013 to ₹6.98 million in Fiscal 2014 due to withdrawal of fixed deposits and reinvestment in mutual funds, which was partly offset by an increase in dividend income from mutual funds from ₹4.45 million in Fiscal 2013 to ₹27.16 million in Fiscal 2014 as well as increase in gains on sales of current investments from ₹7.25 million in Fiscal 2013 to ₹10.13 million in Fiscal 2014. Miscellaneous income also increased from ₹7.32 million in Fiscal 2013 to ₹18.55 million in Fiscal 2014 due to an increase in the forfeiture of deposits of departing employees and registration fees paid by prospective authorized service providers for undergoing training and development imparted by us.

### **Total Expenses**

Our total expenses increased by 18.28% to ₹876.60 million in Fiscal 2014 from ₹741.12 million in Fiscal 2013 primarily due to increase cost of materials consumed, employee benefits and depreciation and amortization.

#### **Cost of materials consumed**

Our cost of material consumed increased by 22.03% to ₹362.10 million in Fiscal 2014 from ₹296.73 million in Fiscal 2013. Our costs of materials as a percentage of total revenues increased from 21.20% in Fiscal 2013 to



23.13% in Fiscal 2014. This increase was primarily on account of an increase in the volume of samples we processed coupled with an increase in the average number of tests per sample in Fiscal 2014.

#### *Purchase of stock-in trade and change in inventory of stock-in trade*

Purchase of stock-in-trade increased by 7.33% to ₹63.96 million in Fiscal 2014 from ₹59.60 million in Fiscal 2013. Our Purchase of stock-in-trade as a percentage of total revenues increased from 4.26% in Fiscal 2013 to 4.09% in Fiscal 2014. This increase was primarily due to increased demand and sales volumes for such ancillary products in Fiscal 2014. The inventory of stock in trade also witnessed an increase by ₹0.96 million in Fiscal 2014.

#### *Employee benefits*

Our expense in relation to employee benefits increased by 33.89% to ₹120.88 million in Fiscal 2014 from ₹90.28 million in Fiscal 2013. This rise was driven by an increase in our average number of employees served during the period coupled with increase in average compensation on account of annual incremental increases. In Fiscal 2014 we also developed an in-house marketing team to augment our franchisee network and market our services directly to referring doctors and hospitals and thus expanding our network of 'Sample Giving Clients' and 'Patient Giving Clients'.

#### *Other expenses*

Our other expenses increased by 1.99% to ₹267 million in Fiscal 2014 from ₹261.78 million in Fiscal 2013 primarily due an increase in business promotion costs associated with wellness and preventive health tests offerings, increase in power, fuel and water charges, increase in sales incentives paid to our DSAs, increase in repairs and maintenance and rates and taxes partially offset by lower services charges paid to our authorized service providers.

#### *Depreciation and Amortization*

Our depreciation and amortization expenses increased by 91.92% to ₹63.62 million in Fiscal 2014 from ₹33.15 million in Fiscal 2013 primarily due to depreciation on the medical cyclotron that we capitalized in Fiscal 2014 and the depreciation for the full year on building that we purchased from NHL in Fiscal 2013. While we capitalized the medical cyclotron in Fiscal 2014, no revenue was generated from the medical cyclotron as it became commercially operational only in the current fiscal year.

#### ***Profit before Exceptional items, Interest, Tax, Depreciation and Amortisation***

Our profit before exceptional items, interest, tax, depreciation and amortization registered an increase of 8.77% from ₹ 691.88 million in Fiscal 2013 to ₹ 752.58 million in Fiscal 2014. As a percentage of our total income, our profit before interest, tax, depreciation and amortization was 49.42% for Fiscal 2013 and 48.07% for Fiscal 2014.

#### ***Profit before exceptional items and tax***

Our profit before exceptional items and tax increased by 4.59% to ₹688.95 million in Fiscal 2014 from ₹658.74 million in Fiscal 2013 on account of the reasons described herein above.

#### ***Total provision for tax***

Our total provision for tax increased by 8.00% to ₹227.39 million in Fiscal 2014 from ₹210.55 million in Fiscal 2013 primarily as a result of our higher profit from operations in Fiscal 2014 as compared to Fiscal 2013 (excluding the gains from the sale of equity shares in NHL in Fiscal 2013). Our effective tax rates were 33% and 31.96% in Fiscal 2014 and Fiscal 2013, respectively.

#### ***Net profit after tax***

As a result of the factors mentioned above, our net profit after tax decreased by 18.77% to ₹461.56 million in Fiscal 2014 from ₹568.19 million in Fiscal 2013.

#### **Financial Condition, Liquidity and Capital Resources**

Our net worth as of the six months ended September 30, 2015 was ₹2,645.50 million. As of March 31, 2015, our net worth was ₹2,789.19 million as compared to ₹2,062.63 million as of March 31, 2014. We currently do not envisage any major capital expenditure in our diagnostic services business; however, we are in the process of expanding our RPL network, expanding our distribution network and ramping up our employee base, which may entail an increase in our operating expenses in the coming fiscal years. To the extent we are unable to drive the volume of samples we process and tests we undertake and improve our average revenue per sample our operating margins in the short term may be lower when compared to in the past fiscal years.

As at November 2014, our Company held 58.5% of the equity share capital of NHL. On December 16, 2015, our Company acquired the balance equity shares held by our Promoters and members of the Promoter Group, so that NHL is our wholly-owned subsidiary now. As mentioned above NHL is in the business of diagnostic imaging and is currently setting up a network of PET-CT scanners and medical cyclotrons in India. NHL currently operates five PET-CT scanners (two in Navi Mumbai, two in New Delhi and one in Hyderabad). The diagnostic imaging business is a capital intensive business and as NHL expands its operations we may be required to fund its capital needs. To the extent we are called upon to fund the capital expenditure of NHL our cash resources may be impacted. Please also see “Significant Factors Affecting Our Results of Operations” above as well as the section entitled “Risk Factors” on page 14. Also please see the sections entitled “Our Business” and “Dividend Policy” on pages 115 and 175, respectively.

### **Cash Flows**

The following table sets forth our unconsolidated cash flows for the six months ended September 30, 2015, Fiscal 2015, Fiscal 2014 and Fiscal 2013.

| <b>Particulars</b>                                     | <b>Six months ended September 30, 2015</b> | <b>Fiscal 2015</b> | <b>Fiscal 2014</b> | <b>Fiscal 2013</b> |
|--------------------------------------------------------|--------------------------------------------|--------------------|--------------------|--------------------|
| Net cash generated by operating activities             | 338.67                                     | 479.79             | 462.39             | 459.23             |
| Net cash generated / (used in) investing activities    | (22.40)                                    | (322.69)           | (519.13)           | (882.72)           |
| Net cash used in financing activities                  | (221.47)                                   | (228.44)           | Nil                | 8.11               |
| Net increase / (decrease) in cash and cash equivalents | 94.80                                      | (71.34)            | (56.74)            | (415.38)           |

#### *Cash flow from operating activities*

Net cash flows from operating activities for the six months ended September 30, 2015 consisted of net profit before tax of ₹457.33 million as adjusted for non-cash items namely depreciation and amortization of ₹51.60 million, and as decreased by non-operating heads of income and expenses including interest income of ₹0.01 million, diminution in value of investment of ₹1.04 million, profit on sale of current investments in mutual funds of ₹5.54 million, unrealized loss on foreign exchange fluctuation, expense on employee stock option scheme of ₹7.64 million, loss on sale of fixed assets of ₹0.44 million, excess provision written back of ₹ 2.09 million and dividend income from mutual funds of ₹9.33 million and further reduced for changes in working capital amounting to ₹24.36 million and income taxed paid was ₹138.27 million.

Net cash flows from operating activities for Fiscal 2015 consisted of net profit before tax of ₹716.19 million as adjusted for non-cash items namely depreciation and amortization of ₹107.09 million, and as decreased by non-operating heads of income and expenses including interest income of ₹3.30 million, diminution in value of investment of ₹2.40 million, profit on sale of current investments in mutual funds of ₹6.93 million, loss on foreign exchange fluctuation of ₹0.22 million, advances written back of ₹10.03 million, profit on disposal of assets under slump sale arrangement of ₹20.77 million, expense on employee stock option scheme of ₹8.18 million, wealth tax of ₹0.06 million, interest paid of ₹0.74 million, loss on sale of fixed assets of ₹0.17 million and dividend income from mutual funds of ₹51.21 million and further reduced for changes in working capital amounting to ₹34.78 million and income taxed paid was ₹228.24 million.

Net cash flows from operating activities for Fiscal 2014 consisted of net profit before tax of ₹688.95 million as adjusted for non-cash items namely depreciation and amortization of ₹63.62 million and as decreased by non-operating heads of income and expenses including interest income of ₹6.98 million, profit on sale of current

investments in mutual funds of ₹10.13 million, profit on sale of fixed assets of ₹0.42 million and dividend income from mutual funds of ₹27.16 million and further reduced for changes in working capital amounting to ₹14.19 million and income taxed paid was ₹231.29 million.

Net cash flows from operating activities for Fiscal 2013 consisted of net profit before tax of ₹778.74 million as adjusted for non-cash items namely depreciation and amortization of ₹33.15 million and as decreased by non-operating heads of income and expenses including interest income of ₹37.83 million, profit on sale of current investments in mutual funds of ₹7.25 million, profit on sale of fixed assets of ₹0.40 million, dividend income from mutual funds of ₹4.45 million and profit on sale of non-current investments of ₹120.00 million. The changes in working capital increased the net cash flow from operation by ₹45.91 million and income taxed paid was ₹228.64 million.

#### *Cash flow from investing activities*

Net cash flows from investing activities for the six months ended September 30, 2015 consisted of outflows in the form purchase of fixed assets of ₹92.48 million including investment in and capitalization of medical cyclotron, purchases of short-term investments of ₹543.13 million and bank deposits of ₹ 0.50 million. Inflows from investing activities included proceeds from sale of fixed assets of ₹0.60 million, proceeds of short term investments of ₹603.77 million, dividend income from mutual funds of ₹9.33 million and interest of ₹ 0.01 million.

Net cash flows from investing activities for Fiscal 2015 consisted of outflows in the form purchase of fixed assets of ₹156.29 million including investment in and capitalization of medical cyclotron, purchases of short-term investments of ₹1,176.53 million, purchase of long term investment of ₹ 600 million and repayment of long term loans of ₹ 0.34 million. Inflows from investing activities included proceeds from sale of fixed assets of ₹0.76 million, proceeds of short term investments of ₹1,602.31 million, dividend income from mutual funds of ₹6.93 million, bank deposits of ₹ 0.42 million and interest received of ₹ 0.05 million.

Net cash flows from investing activities for Fiscal 2014 consisted of outflows in the form purchase of fixed assets of ₹146.99 million including investment in and capitalization of medical cyclotron, purchases of short-term investments of ₹3,070.64 million and bank deposits of ₹ 0.45 million. Inflows from investing activities included proceeds from sale of fixed assets of ₹0.93 million, proceeds of short term investments of ₹2,679.91 million, dividend income from mutual funds of ₹10.13 million and interest received of ₹ 7.98 million.

Net cash flows from investing activities for Fiscal 2013 consisted of outflows in the form purchase of fixed assets of ₹687.98 million including acquisition of fixed assets from NHL for ₹510.00 million, purchases of short-term investments of ₹919.65 million, purchase of long-term investments of ₹16.15 million and bank deposits of ₹ 0.37 million. Inflows from investing activities included proceeds from sale of fixed assets of ₹0.71 million, proceeds of short term investments of ₹330.87 million, proceeds from sale of certain equity share in NHL to a group company ₹200.00 million, repayment of long term loans from NHL of ₹165.42 million, dividend income from mutual funds of ₹4.45 million and interest received of ₹ 39.98 million.

#### *Cash flow from financing activities*

Net cash flows from financing activities for the six months ended September 30, 2015 and Fiscal 2015 consisted of dividends paid, including taxes, of ₹221.47 and ₹ 228.78. In Fiscal 2015 we issued share capital for ₹0.34 million. There were no cash flows from financing activities for Fiscal 2014. During Fiscal 2013 we issued 108,094 Equity Shares to our Promoter Dr. A. Velumani at an issue price of ₹75.00 per Equity Share aggregating ₹8.11 million.

#### **Fixed Assets**

As at September 30, 2015 and March 31, 2015 we had tangible assets of ₹895.37 million and ₹834.19 million, intangible assets of ₹9.19 million and ₹10.76 million and capital work in progress of ₹32.29 million and ₹54.97 million.

### ***Contractual Obligations and Commercial Commitments***

We have entered into reagent and rental agreements for a period of up to 60 months with some of major reagent suppliers. The commitments as per the terms of arrangements are either volume commitments or rate commitments based on workloads. As of the six months ended September 30, 2015 and March 31, 2015 the value of per annum purchase commitments was an aggregate ₹429.13 million and an aggregate ₹449.18 million.

### ***Contingent Liabilities***

For details of contingent liabilities as of the six months ended September 30, 2015 and March 31, 2015, see the section entitled “*Financial Statements*” on page 176.

### ***Off-balance sheet arrangements and financial instruments***

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet transactions.

### ***Related party transactions***

We have entered into and expect to continue to enter into transactions with our related parties. For details, see the sections entitled “*Related Party Transactions*” and “*Financial Statements*” on page 174 and 176, respectively.

### ***Quantitative and qualitative disclosure about market risk***

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk, foreign exchange risk, inflation and commodity risk. We are exposed to different degrees of these risks in the normal course of our business.

#### ***Interest rate risk***

The Company does not have any borrowings and interest rate exposure. However, as mentioned earlier, NHL became our subsidiary in November 2014, and subsequently became our wholly owned subsidiary in December 2015. NHL operates in a capital intensive business and we may in the future be required to borrow either at standalone level or at the level of our subsidiary to fund the operations of NHL. Fluctuations in interest rates may accordingly impact our ability to borrow and also cost of borrowings.

#### ***Foreign exchange risk***

Substantially all of our operations are based in India. However, the terms of purchase of reagents are billed in US Dollars which impacts our costs of materials consumed. We currently do not hedge our foreign exchange exposure. Any adverse changes in exchange rates especially on the rupee dollar front could materially and adversely impact our results of operations and financial condition.

#### ***Commodity price risk***

We enter into reagent rental agreements with most of our and vendors of analyzers and suppliers of reagents and consumables. On account of the large of volume of samples we process and tests we undertake we are generally in a position to negotiate favorable terms of supplies from our vendors and suppliers. Some of these arrangements are for periods extending to 60 months and more. Accordingly, we do not expect any material impact arising from risks related to commodity price fluctuation.

### ***Seasonality***

We experience seasonal fluctuations in our revenue and profitability. We generally experience a higher volume of preventive diagnostic and wellness tests and earn more revenue in the fourth quarter (which ends March 31) than in other quarters of a given fiscal. This may be due in part to the seasonal effects of Indian festival holidays, which impact demand during the quarters ended September 30 and December 31 each year, and a higher spend by employees of many of our Indian company clients toward the end of a particular fiscal. In light of the foregoing, we generally time our marketing and promotional activities to run during the fourth quarter, which helps drive volumes in that quarter.

### **Significant Developments occurring after September 30, 2015**

There have been the following significant developments after September 30, 2015:

- On December 16, 2015, we acquired the remaining 41.5 per cent of the outstanding share capital of NHL from its existing shareholders, on account of which it has become our wholly owned subsidiary.
- Our Company instituted the ESOP-II on March 14, 2015, pursuant to our Board and Shareholders' resolutions dated June 22, 2015 and September 26, 2015, respectively. Our Company has granted
- options convertible into 40,434 Equity Shares, which represents 0.08% of the paid-up equity capital of our Company. For further details, see the section entitled "Capital Structure" on page 84.

Except as stated elsewhere in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay any material liabilities within the next 12 months.

### **Unusual or Infrequent Events or Transactions**

Except as described in this Draft Red Herring Prospectus, there have been no events or transactions to our knowledge which may be described as "unusual" or infrequent".

### **Known Trends or Uncertainties**

Other than as described in the sections titled "Risk Factors", and this section and elsewhere in this Draft Red Herring Prospectus, to the best of our knowledge there are no known trends or uncertainties that have had, or are expected to have, a material adverse impact on our revenues or income from continuing operations.

### **Nuclear Healthcare Limited (NHL)**

*You should read the following discussion and analysis of NHL's financial condition and results of operations together with the NHL Restated Financial Statements, including the notes and schedules thereto included in the section entitled "Financial Statements" on page 260. You should also read the section entitled "Risk Factors" on page 14, which discusses a number of factors and contingencies that could impact NHL's financial condition and results of operations, and the section entitled "Our Business" on page 115, which presents important information about NHL's business. Unless otherwise specified, all amounts in this section are stated on a standalone basis.*

*The following discussion is based on our audited standalone financial information as restated as of and for the fiscal years ended March 31, 2015, 2014 and 2013, which have been prepared in accordance with Indian GAAP, the applicable accounting standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. In addition, this discussion relates to the audited standalone financial statements of the Company for the six-month period ending September 30, 2015, which which have been prepared in accordance with Indian GAAP, the applicable accounting standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The following discussion, in relevant parts, is also based on internally prepared statistical information and on publicly available information.*

*The financial statements included in this Draft Red Herring Prospectus are prepared in accordance with Indian GAAP, which differs in certain material respects from IFRS and U.S. GAAP. Accordingly, the degree to which the financial statements in this Draft Red Herring Prospectus will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian accounting processes.*

*NHL's fiscal year ends on March 31 of each year, so all references to a particular "fiscal year" and "Fiscal" are to the 12-month period ended March 31 of that fiscal year.*

***In this section, references to "we" and "our" are to the Company on unconsolidated standalone basis.***

### **Overview**

Through NHL, we are developing a growing network of molecular imaging centers, which focuses primarily on early and effective cancer monitoring. Each of our imaging centers use PET-CT scanners to assist in cancer

diagnosis, staging, monitoring of treatment, and efficacy and evaluation of disease recurrence. We currently have five operating PET-CT scanners in our three imaging centers: two in Navi Mumbai, two in New Delhi and one in Hyderabad, and intend to open imaging centers in both Kolkata and Raipur. NHL also owns and operates a medical cyclotron unit in Navi Mumbai, that produces the radioactive bio-marker FDG required for PET-CT scanning, which it acquired from the Company in March 2015 pursuant to a Slump Sale Agreement and an addendum slump sale letter agreement. The cyclotron unit generates FDG used by our PET-CT scanners in Navi Mumbai and New Delhi as well by third party PET-CT imaging centers. We currently meet the FDG requirements for our Hyderabad PET-CT scanners from third parties in Hyderabad in order to optimize cost and time efficiencies.

The table below sets forth certain key operational and financial information and data about NHL for the six months ended September 30, 2015, Fiscal 2015, Fiscal 2014 and Fiscal 2013:

(₹ million)

| Particulars                                    | For the six months ended September 30, 2015 | For the year ended March 31, 2015 | For the year ended March 31, 2014 | For the year ended March 31, 2013 |
|------------------------------------------------|---------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Total income                                   | 84.17                                       | 107.76                            | 39.51                             | 10.85                             |
| Total expenses                                 | 102.72                                      | 180.47                            | 131.98                            | 88.34                             |
| Profit/(loss) before exceptional items and tax | (18.55)                                     | (72.71)                           | (92.47)                           | 77.49                             |
| Exceptional items                              | -                                           | -                                 | -                                 | 79.61                             |
| Total provision for tax                        | -                                           | -                                 | (2.23)                            | 5.68                              |
| <b>Net profit/(loss)</b>                       | <b>(18.55)</b>                              | <b>(72.71)</b>                    | <b>(90.24)</b>                    | <b>(3.56)</b>                     |

#### Subsidiarization of NHL Healthcare Limited

Pursuant to the Company's acquisition of additional equity shares of NHL in November 2014, the Company's holding in NHL increased to 58.5 per cent of its outstanding equity share capital and NHL became the Company's subsidiary with effect therefrom. Subsequently, on December 16, 2015, the Company acquired the remaining 41.5 per cent of the outstanding share capital of NHL from its existing shareholders, on account of which NHL has become the wholly owned subsidiary of the Company. The results of operations of NHL have been consolidated in our books of accounts from the Fiscal 2015.

NHL acquired the cyclotron from the Company for ₹113.50 million in March of 2015 pursuant to a Slump Sale Agreement and an addendum slump sale letter agreement.

In July 2015, the Company commenced outsourcing arrangements with NHL for the provision of certain periphery services to them. The Company's services include marketing, promotional and booking assistance, referrals and the solicitation of business through authorized service providers, patients and medical professionals. In exchange for the provision of these services, the Company receives 20% of NHL's revenue generated through its channels. The remaining 80% is paid to NHL for providing PET-CT scanning services.

#### Significant Factors Affecting NHL's Results of Operations

The business of NHL is subject to various risks and uncertainties, including those discussed in the section "Risk Factors". The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on NHL's results of operations and financial conditions.

#### Limited Operating History

NHL's molecular imaging business commenced operations as recently as in March 2013. The Navi Mumbai facility of NHL witnessed its first full fiscal year of operations in Fiscal 2014 and, therefore, it is too early in NHL's development to determine trends in revenue growth or expenses. Accordingly, its results of operations should not be relied upon for any prior periods as an indication of its future performance. The business and future prospects of NHL should be considered in light of the risks, uncertainties and challenges that it may face as an early-stage company operating in a fast growing molecular imaging business. Going forward, NHL may not be successful in addressing these risks and uncertainties that it may confront in its business that may adversely affect its results of operations and financial condition.

### ***Limited awareness and acceptability of molecular imaging in India***

NHL operates in the molecular imaging business whereby PET-CT scanners are used to assist in cancer diagnosis, staging, monitoring of treatment efficacy and evaluation of disease recurrence. Traditionally, computed tomography (CT) scan has been used as a widely accepted diagnosis method amongst the medical fraternity in India to identify and detect cancer in patients. PET-CT scanning is a relatively new technology for cancer diagnosis and has not gained wide spread acceptance by doctors in India primarily on account of cost considerations as compared to its general acceptance in most developed countries. Accordingly, NHL's revenue growth will be driven by its ability to create awareness of the benefits of using PET-CT scanning technology along with a growth in its referring doctor and hospital base.

### ***Relatively new area of business***

NHL's molecular imaging business is relatively new and is significantly different from our Company's existing pathology testing business in significant ways. Due to limited experience in the molecular imaging business, we may be unable to identify risks associated with this business at an early stage. Further, referring doctors and hospitals may not be familiar with the NHL brand and it may need to undertake extensive advertising and promotional activity to build its brand's awareness which could result in higher operating costs that may affect NHL's results of operations and financial condition.

### ***Volume driven Business Model***

NHL operates PET-CT scanning centers in Navi Mumbai, New Delhi and Hyderabad and plans to expand its operations by setting up a network of such facilities in several other cities of India. NHL offers its PET-CT scans at extremely competitive rates as compared to the existing industry in India and essentially would rely on volumes to drive its revenue growth. This model is untested in the molecular imaging industry. Accordingly, NHL's pricing strategy may impact its margins and therefore adversely affect the results of operations and financial condition until the targeted volume of scans is achieved.

### ***FDG Availability***

PET-CT scanning technology requires insertion of a radioactive pharmaceutical called FDG produced by medical cyclotrons, into the veins of the patient for conducting the desired scan. The quality and effectiveness of FDG degrades with time due to its short shelf life (half-life of 110 minutes) thereby making its transportation difficult. NHL has entered into a co-sharing arrangement with HGEL for use of FDG. However, any temporary unavailability of FDG from our cyclotron or inability of NHL to procure FDG from other third parties in a timely and cost effective manner in the future may impact NHL's ability to conduct scans and may have an adverse effect on NHL's results of operations.

### ***Capital Expenditure***

The business of NHL is capital intensive and as NHL continues to expand its network of PET-CT scanners, it may be expected to incur heavy capital expenditure. Accordingly, the Company may need to provide NHL with financial assistance or may be required to dilute stake in NHL by bringing in new investors at NHL. Alternatively, NHL may have to raise debt funding for its capital expenditure needs that may add additional strain on its financial position and results of operations.

While the PET-CT scanners are currently owned by NHL, in order to further expand the business and increase capital efficiencies, we intend to deploy a franchisee model, whereby the PET-CT scanners will be owned by the franchisee and revenue will be shared between NHL and the franchisee. We are currently in the advanced stages of setting up such an arrangement with a party in Raipur.

### ***Operating Expenses***

NHL's molecular imaging business is relatively new and thus referring doctors and hospitals may not be familiar with the NHL brand. NHL may need to undertake extensive advertising and promotional activity to build its brand's awareness in such markets. Also, as an early stage company, we expect the operating expenses of NHL to continue to increase due to hiring of staff and renting premises to operate its PET-CT scanning centers and cyclotron. These expenses may impact NHL's financial results of operations and financial condition in the forthcoming years until the targeted scale up of in volumes and revenue is achieved.

### ***Laws, Regulations and Approvals***

NHL's business is highly regulated and the installation and operation of PET-CT scanners and its cyclotron facility require several approvals and licenses from various regulatory or statutory authorities. For details on the laws and regulations applicable to NHL's business, see the section entitled "*Regulations and Policies*" on page 136. If NHL is unable to obtain or retain the licenses and approvals necessary to install and operate its PET-CT scanners and cyclotron facilities in a timely manner or at all, NHL's operations may be adversely affected.

Additionally, the costs of complying with, and the imposition of liabilities pursuant to health and safety laws and regulations could be significant, and failure to comply with it could result in the imposition of civil and/or criminal penalties, the suspension of licenses and significant liabilities pursuant to lawsuits by third parties. NHL may also, in future, be required to comply with more rigorous standards or other requirements prescribed by various regulatory or other statutory authorities, or incur capital and operating expenses for, among others, environmental compliance.

The approvals and licenses required for operating the cyclotron (the "Cyclotron Approvals") were issued to our Company and are yet to be transferred to NHL. The transfer of the cyclotron and the Cyclotron Approvals is subject to prior approval of AERB, for which our Company has made an application dated December 18, 2015.

Adequate stamp duty may not have been paid on the Slump Sale Agreements. Accordingly, the Slump Sale Agreements have been submitted for adjudication to the Department of Registration and Stamps, Government of Maharashtra (the "**Stamp Duty Adjudication**"). Pursuant to the Stamp Duty Adjudication, NHL could be liable to pay additional stamp duty and consequent penalties.

### **Significant Accounting Policies for NHL**

NHL's financial statements are prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated, and in accordance with the GAAP in India and the relevant provisions of the Companies Act, 1956 and comply in all material respects with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 (as amended) issued by the Central Government of India, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable. These financial statements form the basis of preparation of the reformatted financial statements which are included in the Prospectus.

The preparation of financial statements in conformity with GAAP in India requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

NHL's significant accounting policies are summarized below. For a full description of NHL's significant accounting policies adopted in the preparation of the NHL Restated Financial Statements, see the Financial Information chapter of this Draft Red Herring Prospectus.

#### *Basis of preparation*

The restated summary statement of assets and liabilities, of the Company as at 30 September 2015, 31 March 2015, 2014, 2013, 2012 and 2011 and the restated summary statement of profit and loss, and the restated summary statement of cash flows, for the six months period ended 30 September 2015, years ended 31 March 2015, 2014, 2013, 2012 and 2011 and Other Financial Information (Collectively referred to as "Restated Summary Financial Information") have been derived by the Management from the then Audited Financial Statements of the Company for the corresponding years. These Restated Summary Financial Information have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering of parent company i.e. Thyrocare Technologies Limited by way of an offer for sale by the existing shareholders of the parent company. The Restated Summary Financial Information have been prepared in accordance with the requirements of:

(a) sub clause (i) and (iii) of clause (b) of sub section (1) of section 26 of the Companies Act, 2013; and



(b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time.

These Restated Summary Financial Information have been prepared after incorporating adjustments for the material amounts in the respective years/ period to which they relate.

There are no changes to accounting policies or incorrect accounting policies or auditors' qualification which require adjustment.

These Restated Summary Financial Information were approved by the Board of Directors on December 24, 2015.

#### *Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and the assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### *Current–non-current classification*

All assets and liabilities are classified into current and non-current.

##### *Assets*

An asset is classified as current when it satisfies any of the following criteria :

- (a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current position of non-current financial assets.

All other assets are classified as non-current.

##### *Liabilities*

A liability is classified as current when it satisfies any of the following criteria :

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in the settlement by the issue of equity investments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

#### Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

All assets and liabilities have been classified as current or non-current as per the criteria set out in Schedule III of the Companies Act, 2013. Normal operating cycle for the Company is 12 months.

#### *Cash and cash equivalents (for purposes of Cash Flow Statement)*

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### *Cash flow statement*

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### *Revenue recognition*

Revenue from diagnostic and imaging services is recognised once the services are rendered.

Revenue from sale of product is recognised when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of product.

Sale of services are accounted net of trade discount, if any.

Interest income is recognized using the time proportion method, based on the underlying interest rates. Dividend income if any is recognized when the right to receive dividend is established.

#### *Inventories*

Inventories comprise of medicines and contrasts which are valued at lower of cost and net realisable value. Cost is determined under the first in first out method and includes all costs incurred in bringing the inventories to their present location and condition.

#### *Fixed assets and depreciation*

##### *Tangible fixed assets*

Tangible assets are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes inward freight, duties, taxes (to the extent not recoverable from tax authorities) and expenses incidental to acquisition and installation of the fixed assets up to the time the assets are ready for intended use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

In respect of fixed assets purchased during the period, the depreciation is provided on a pro rata basis from the date on which such asset is ready to be put to use. Depreciation on fixed assets, except leasehold/ freehold land, is provided under the written down value method at the rates prescribed in Schedule II to the Act, which in the opinion of management reflects the economic useful lives of assets. Depreciation on sale of assets is provided up to the date of sale of the asset. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in

the aforesaid schedule, depreciation is provided at higher rate based on the management's estimate of the useful life/ remaining useful life.

Leasehold land is amortised on a straight line basis over the primary period of lease. Freehold land is not depreciated.

Assets on leasehold land i.e. building premises are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule II to the Companies Act, 2013).

#### *Intangible assets*

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Goodwill is amortised over a period of 5 years.

#### *Impairment*

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Goodwill is amortised over a period of 5 years.

#### *Leases*

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of profit and loss on a straight line basis over the lease term unless other systematic basis is more representative of the time pattern of the benefit.

#### *Investments*

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current-non-current classification scheme of Schedule III of the Companies Act, 2013. Long term investments are stated at cost. Provision for diminution in value is made only when in the opinion of the management there is a diminution other than temporary in the carrying value of such investments determined separately for each investment. Current investments are valued at lower of cost and market value.

#### *Employee benefits*

##### *Short-term employee benefits:*

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include salary, wages and bonus, compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period of rendering of service by the employee.

### *Post employee benefits:*

#### *Defined contribution plans*

NHL has defined contribution plans for post employment benefits namely Provident Fund. Under the provident fund plan, NHL contributes to a Government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution. NHL makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995 and has no further obligation beyond making the payment to them. NHL's contribution to the above funds are charged to the statement of profit and loss account every year.

#### *Defined benefit plans*

NHL's gratuity benefit scheme are defined benefit plans. NHL's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of NHL's obligation is performed annually by a qualified actuary using the projected unit credit method.

NHL recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. NHL recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

#### *Other long-term employment benefits*

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. NHL records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

### *Foreign exchange transactions*

Foreign exchange transactions are recorded into Indian rupees using the average of the opening and closing spot rates on the dates of the respective transaction. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the Statement of profit and loss of the period. Monetary items (including long-term monetary items) in foreign currency, which are outstanding as at the year-end are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of profit and loss. Non-monetary foreign currency items are carried at cost.

### *Provisions and contingent liabilities*

Provision is recognised in the balance sheet when NHL has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimation can be made of the amount required to settle the obligation. Contingent liabilities arising from claims, litigation, assessment, fines, penalties etc. are disclosed when there is a possible obligation or a present obligation as a result of a past event where it is not probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reasonably estimated. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosures is made.

### *Earnings per share*

The basic earnings per share is computed by dividing the net profit or loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The number of equity shares used in computing diluted earnings per share comprises the weighted average shares considered for

deriving basic earnings per share, and also the weighted average number of equity shares, which would have been issued on conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The potentially dilutive equity shares have been adjusted for the proceeds receivable had the shares been actually issued at a fair value. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

## *Taxation*

### *Income tax*

Income tax expense comprises current tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions, in accordance with the Income tax Act, 1961.

### *Deferred tax*

Deferred tax charge or credit and the corresponding deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/ losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

### *Minimum Alternate Tax*

In accordance with the provisions of Section 115JAA of the Income-tax Act, 1961, the Company is allowed to avail credit equal to the excess of Minimum Alternate Tax (MAT) over normal income tax for the assessment year for which MAT is paid. MAT credit so determined can be carried forward for set-off for ten succeeding assessment years from the year in which such credit becomes allowable. MAT credit can be set-off only in the year in which the Company is liable to pay tax as per the normal provisions of the Income-tax Act, 1961 and such tax is in excess of MAT for that year. Accordingly, MAT credit entitlement is recognized only to the extent there is convincing evidence that the Company will pay normal tax during the specified period.

### *Segment reporting*

The Company is engaged only in diagnostics/ imaging services business in India and follows only one reportable segment and therefore segment wise reporting as per Accounting Standard (AS) 17 issued by The Institute of Chartered Accountants of India is not applicable.

## **Results of Operations**

The table below sets forth a summary of NHL's financial results containing significant items of NHL's income and expenses for the six months ended September 30, 2015, Fiscal 2015, 2014 and 2013 based on NHL's audited standalone financial results as set forth in NHL Restated Financial Statements included in the Financial Information chapter of this Draft Red Herring Prospectus.

| Particulars             | For the six months ended September 30, 2015 |                   | For the year ended March 31, 2015 |                   | For the year ended March 31, 2014 |                   | For the year ended March 31, 2013 |                   |
|-------------------------|---------------------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|
|                         | Amount in ₹ million                         | % of total income | Amount in ₹ million               | % of total income | Amount in ₹ million               | % of total income | Amount in ₹ million               | % of total income |
| Income                  |                                             |                   |                                   |                   |                                   |                   |                                   |                   |
| Revenue from operations | 73.07                                       | 86.81             | 96.48                             | 89.53             | 23.11                             | 58.49             | 0.34                              | 3.13              |
| Other income            | 11.10                                       |                   | 11.28                             |                   | 16.40                             | 41.51             | 10.51                             | 96.87             |

| Particulars                         | For the six months ended September 30, 2015 |                   | For the year ended March 31, 2015 |                   | For the year ended March 31, 2014 |                   | For the year ended March 31, 2013 |                   |
|-------------------------------------|---------------------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|
|                                     | Amount in ₹ million                         | % of total income | Amount in ₹ million               | % of total income | Amount in ₹ million               | % of total income | Amount in ₹ million               | % of total income |
|                                     |                                             | 13.19             |                                   | 10.47             |                                   |                   |                                   |                   |
| Total Income                        | 84.17                                       | 100.00            | 107.76                            | 100.00            | 39.51                             | 100.00            | 10.85                             | 100.00            |
| Expenses                            |                                             |                   |                                   |                   |                                   |                   |                                   |                   |
| Cost of materials consumed          | 13.22                                       | 15.71             | 30.81                             | 28.59             | 6.82                              | 17.26             | 0.35                              | 3.26              |
| Employee benefits                   | 6.98                                        | 8.29              | 13.80                             | 12.81             | 9.61                              | 24.32             | 2.28                              | 21.00             |
| Interest on short term advances     | -                                           | -                 | -                                 | -                 | -                                 | -                 | 6.51                              | 59.97             |
| Depreciation/ amortization          | 36.34                                       | 43.17             | 57.43                             | 53.29             | 39.47                             | 99.90             | 22.37                             | 206.18            |
| Other expenses                      | 46.18                                       | 54.87             | 78.43                             | 72.78             | 76.08                             | 192.56            | 56.83                             | 523.92            |
| Total Expenditure                   | 102.72                                      | 122.04            | 180.47                            | 167.47            | 131.98                            | 334.04            | 88.34                             | 814.33            |
| Net profit / (loss) before tax      | (18.55)                                     | (22.04)           | (72.71)                           | (67.47)           | (92.47)                           | (234.04)          | (77.49)                           | (716.33)          |
| Add: Exceptional item               | -                                           | -                 | -                                 | -                 | -                                 | -                 | 79.61                             | 733.90            |
| Net profit / (loss) before tax      | (18.55)                                     | (22.04)           | (72.71)                           | (67.47)           | (92.47)                           | (234.04)          | 2.12                              | 19.57             |
| Less: Provision for tax             |                                             |                   |                                   |                   |                                   |                   |                                   |                   |
| Current tax / minimum alternate tax | -                                           | -                 | -                                 | -                 | -                                 | -                 | 0.18                              | 1.66              |
| Deferred tax charge / (benefit)     | -                                           | -                 | -                                 | -                 | (2.23)                            | (5.64)            | 5.50                              | 50.69             |
| Total provision for tax             | -                                           | -                 | -                                 | -                 | (2.23)                            | (5.64)            | 5.68                              | 52.35             |
| Net profit after tax, as restated   | (18.55)                                     | (22.04)           | (72.71)                           | (67.47)           | (90.24)                           | (228.40)          | (3.56)                            | (32.81)           |

### Description of Income and Expenditure Items

#### Total Income

NHL's total income comprises of

- revenue from operations;
- and
- other income.

#### Revenue from operations

### *Sale of scanning services*

NHL's revenue from operations is derived primarily from rendering PET-CT scanning and imaging services at its Navi Mumbai and New Delhi facilities, which became operational in March 2013 and at the end of January 2014 respectively. The facility in Navi Mumbai became operational in March 2013 and thus contributed revenue for only one month in Fiscal 2013. The facility in New Delhi became operational at the end of January 2014 and thus contributed revenue for only two months in Fiscal 2014. The facility in Hyderabad became operational in June 2014 and thus only contributed revenue in Fiscal 2015.

In July 2015, the Company commenced outsourcing arrangements with NHL for the provision of certain periphery services to them. The Company's services include marketing, promotional and booking assistance, referrals and the solicitation of business through authorized service providers, patients and medical professionals. In exchange for the provision of these services, the Company receives 20% of NHL's revenue generated through its channels. The remaining 80% is paid to NHL for providing PET-CT scanning services.

### *Sale of Products*

The sale of products is primarily the sale of FDG to third parties. The cyclotron was owned by the Company in Fiscal 2015, Fiscal 2014 and Fiscal 2013. NHL acquired the cyclotron from the Company for ₹113.50 million in March of 2015 pursuant to a Slump Sale Agreement and an addendum slump sale letter agreement.

### *Other Operating Revenue*

NHL's other operating revenue comprises of the amount charged from the patients for copies of the report on CT film or on CD.

### *Other income*

NHL's other income primarily comprises of interest received and accrued, gain on sale of current investments, rent received and dividend from mutual funds.

### ***Total Expenditure***

NHL's total expenditure comprises of (i) cost of materials consumed; (ii) employee benefits; (iii) finance costs, (iv) depreciation and amortization expense, and (v) other expenses.

The following table sets out the principal components of NHL's expenditure and as a percentage of its total expenditure, for the periods indicated.

| Particulars                     | For the six months ended September 30, 2015 |                        | For the year ended March 31, 2015 |                        | For the year ended March 31, 2014 |                        | For the year ended March 31, 2013 |                        |
|---------------------------------|---------------------------------------------|------------------------|-----------------------------------|------------------------|-----------------------------------|------------------------|-----------------------------------|------------------------|
|                                 | Amount in ₹ million                         | % of total expenditure | Amount in ₹ million               | % of total expenditure | Amount in ₹ million               | % of total expenditure | Amount in ₹ million               | % of total expenditure |
| <b>Expenses</b>                 |                                             |                        |                                   |                        |                                   |                        |                                   |                        |
| Cost of materials consumed      | 13.22                                       | 12.87                  | 30.81                             | 17.07                  | 6.82                              | 5.17                   | 0.35                              | 0.40                   |
| Employee benefits               | 6.98                                        | 6.80                   | 13.80                             | 7.65                   | 9.61                              | 7.28                   | 2.28                              | 2.58                   |
| Interest on short term advances | -                                           | -                      | -                                 | -                      | -                                 | -                      | 6.51                              | 7.37                   |
| Depreciation/amortization       | 36.34                                       | 35.38                  | 57.43                             | 31.82                  | 39.47                             | 29.91                  | 22.37                             | 25.32                  |
| Other expenses                  | 46.18                                       | 44.96                  | 78.43                             | 43.46                  | 76.08                             | 57.65                  | 56.83                             | 64.33                  |
| <b>Total</b>                    |                                             | <b>100.00</b>          |                                   | <b>100.00</b>          |                                   | <b>100.00</b>          | <b>88.34</b>                      | <b>100.00</b>          |

| Particulars        | For the six months ended September 30, 2015 |                        | For the year ended March 31, 2015 |                        | For the year ended March 31, 2014 |                        | For the year ended March 31, 2013 |                        |
|--------------------|---------------------------------------------|------------------------|-----------------------------------|------------------------|-----------------------------------|------------------------|-----------------------------------|------------------------|
|                    | Amount in ₹ million                         | % of total expenditure | Amount in ₹ million               | % of total expenditure | Amount in ₹ million               | % of total expenditure | Amount in ₹ million               | % of total expenditure |
| <b>Expenditure</b> | <b>102.72</b>                               |                        | <b>180.47</b>                     |                        | <b>131.98</b>                     |                        |                                   |                        |

#### *Cost of materials consumed*

NHL's cost of materials comprises primarily of cost of FDG and other consumables used for conducting the PET-CT imaging scans. In Fiscal 2014 and Fiscal 2013, NHL purchased the requisite amount of FDG from third parties as our cyclotron facility became operational only in February 2014. In Fiscal 2015, NHL purchased FDG for its Navi Mumbai and New Delhi facilities from the Company. NHL purchases the FDG required for its Hyderabad scanning center from a third party. NHL purchased the cyclotron from the Company in March 2015.

#### *Employee benefits*

NHL's employee benefits expense includes salaries and wages, contributions to provident and other funds, gratuity, leave encashment and staff welfare expenses.

#### *Depreciation and amortization expense*

NHL's depreciation and amortization expenses are primarily in respect of its owned premises in Navi Mumbai and Hyderabad at which PET-CT scanning facilities have been set up and the premises in Coimbatore and Noida at which the cyclotron facility are proposed. NHL's capital assets subject to depreciation also include among other plant and equipment, which primarily comprises of its PET-CT scanners. NHL has acquired the medical cyclotron from the Company pursuant to a slump sale arrangement in March 2015 and an addendum slump sale letter agreement dated September 29, 2015. Accordingly, NHL's depreciation and amortization expenses for the period ended September 30, 2015 includes the depreciation of the cyclotron and assets acquired under this slump sale.

#### *Other expenses*

Other expenses incurred by NHL comprise of rent paid on the premises used for its PET-CT facilities, advertisement expenses, expenses on power, fuel and water, repairs and maintenance of buildings, machinery and others, expenses in relation to rates and taxes, travelling and conveyance, printing and stationary, bank charges, legal and professional fees, payments to auditors, loss on sale of current investments, provisions for contingency, prior period expenses and other miscellaneous expenses.

#### *Tax expenses*

NHL's tax expense includes deferred tax credit/expense and MAT expense in case of Fiscal 2013.

#### **Six months ended September 30, 2015 (Six Months Fiscal 2016)**

NHL's results from operations for the six months ended September 30, 2015 were particularly impacted by the following factors:

- Growth in the volume of PET-CT scans performed at our facilities;
- Impact of an outsourcing arrangement with the Company whereby NHL receives 80% of the scanning revenue as outlab processing costs;
- Revenue on account of sale of FDG produced by recently acquired cyclotron;
- Growth in cost of materials consumed in line with revenue growth;
- Increase in depreciation and amortization costs reflecting the growth in capital costs after the purchase of the cyclotron from the Company; and
- Other expenses including rental expense, power water and fuel and legal and professional fees.

#### **Total Income**



NHL's total income was ₹84.17 million in the six months ended September 30, 2015, ₹73.07 million, of which was derived from revenue from operations.

*Revenue from operations:* NHL's revenue from operations was ₹73.07 million in the six months ended September 30, 2015. Revenue from diagnostic and imaging services was ₹65.52 million in the six months ended September 30, 2015. The growth in the volume of PET-CT scans performed at our three centers continued in the six month period. In the six months ended September 30, 2015, NHL conducted 7,897 PET-CT scans.

From July 20, 2015, pursuant to outsourcing arrangements with the Company, the Company now receives the full gross revenue in its standalone accounts from PET-CT scans performed by NHL. The Company then pays 80% of this revenue to NHL, which is realized as revenue from operations.

In the six months ended September 30, 2015, NHL had first time revenue from sale of FDG ₹ 7.42 million. NHL purchased the cyclotron from the Company in March 2015.

NHL's other operating revenue was ₹0.13 million in the six months ended September 30, 2015.

*Other income:* NHL's other income was ₹11.10 million in the six months ended September 30, 2015. This consisted primarily of gains on the sale of current investments from units of mutual funds and dividend from mutual funds.

### **Total Expenses**

NHL's total expenses were ₹102.72 million in the six months ended September 30, 2015. NHL's total expenses as a percentage of total revenues were 122.04% in the six months ended September 30, 2015

*Cost of materials consumed:* NHL's expenditures in relation to cost of materials consumed were ₹13.22 million in the six months ended September 30, 2015, which constituted 15.71% of the total revenues of NHL for the six months ended September 30, 2015. Cost of materials consumed reflect increased FDG consumed as NHL's scanning services expanded in the period.

*Employee benefits:* NHL's employee benefits expense was ₹6.98 million in the six months ended September 30, 2015. Employee benefits expense as a percentage of total revenues was 8.29% in the six months ended September 30, 2015. NHL's compensation expenses continued to grow with customary incremental increases in line with Fiscal 2015.

*Other expenses:* NHL's other expenses were ₹46.18 million in the in the six months ended September 30, 2015. NHL's other expenses as a percentage of total revenues was 54.87% in the six months ended September 30, 2015. Other expenses in the six months ended September 30, 2015 primarily reflect our rent expense for our facilities, legal and professional expenses, power and fuel and water costs and postage and courier expenses.

### **Depreciation and Amortization:**

NHL's depreciation and amortization expenses were ₹36.34 million in the six months ended September 30, 2015. Depreciation and amortization expenses as a percentage of total revenues were 43.17% in the in the six months ended September 30, 2015. Depreciation and amortization expenses in the six months ended September 30, 2015 reflected the depreciation on the assets of cyclotron division acquired from the Company in March 2015.

### **Profit / (Loss) before tax**

NHL had a loss after exceptional items and before tax of ₹18.55 million in the six months ended September 30, 2015.

### **Total provision for tax**

NHL's total provision for tax was nil in the six months ended September 30, 2015.

### **Net profit / (loss) after taxes**

As a result of the factors mentioned above, NHL had a net loss of ₹18.55 million in the six months ended September 30, 2015.

## **Results for Fiscal 2015 compared with Fiscal 2014**

NHL's results from operations for Fiscal 2015 were particularly impacted by the following factors:

- Full year of commercial operations of PET-CT scanning facility in New Delhi and operations commencing in Hyderabad in June 2015;
- Increase in the volume of PET-CT scans performed at our Mumbai facilities;
- Increase in cost of materials consumed in line with our business ramp up;
- Increase in the employee benefits costs; and
- Increase in depreciation and amortization costs.

### ***Total Income***

NHL's total income increased by 172.74% from ₹39.51 million in Fiscal 2014 to ₹107.76 million in Fiscal 2015 mainly due to the increase in the revenue from operations on account of commencement of operations at all three centres.

The facility in Navi Mumbai became operational in March 2013 and thus contributed revenue for both Fiscal 2014 and Fiscal 2015. The facility in New Delhi became operational at the end of January 2014 and thus contributed revenue for two months in Fiscal 2014 and the full Fiscal 2015. The facility in Hyderabad became operational in June 2014 and thus only contributed revenue in Fiscal 2015.

*Revenue from operations:* NHL's revenue from operations comprises solely of revenue from PETCT scans. NHL's revenue from operations increased significantly by 317.48% from ₹23.11 million in Fiscal 2014 to ₹96.48 million in Fiscal 2015.

The increase was primarily on account of the impact of the first full year of commercial operations of PET-CT scanning facilities in New Delhi. Our commercial operations at our Hyderabad commenced in June 2014. We also enjoyed an increase in the volume of PET-CT scans performed at our Navi Mumbai facilities. NHL conducted 11,173 scans and 2,348 scans in Fiscal 2015 and 2014, respectively.

NHL's other operating revenue increased from nil in Fiscal 2014 to ₹0.14 million in Fiscal 2015, primarily due to the revenue generated on account of consideration received for issuing image reports on CT films and on CD.

### ***Other income:***

NHL's other income decreased by 31.22% from ₹16.40 million in Fiscal 2014 to ₹11.28 million in Fiscal 2015 mainly due to lower dividends from mutual fund and interest received in Fiscal 2015.

### ***Total Expenditure***

NHL's total expenditure (excluding tax expense) increased by 36.74% from ₹131.98 million in Fiscal 2014 to ₹180.47 million in Fiscal 2015 as our operating expenses increased as part of ramping up our PET-CT scanning business at our centers and the first full year expenses from our New Delhi facility and first operating expenses from our Hyderabad facility.

### ***Cost of materials consumed***

NHL's cost of materials consumed increased by 351.76% from ₹6.82 million in Fiscal 2014 to ₹30.81 million in Fiscal 2015. This was primarily on account of additional cost of material spend in line with PET-CT testing volume growth from Mumbai and our new facilities in New Delhi and Hyderabad. NHL procured FDG for the Hyderabad facility from a third party. NHL procured FDG for our Navi Mumbai and New Delhi facilities from our Company, except for an intermittent period wherein the FDG could not be supplied by the Company and it was procured from third parties.

### ***Employee Benefits***

Expenses relating to employee benefits increased by 43.60% from ₹9.61 million in Fiscal 2014 to ₹13.80 million in Fiscal 2015. This rise was driven by an increase in our average number of employees in Fiscal 2015 primarily from our new PET-CT scanning facilities in New Delhi and Hyderabad coupled with increase in average compensation on account of annual incremental increases.

### *Other Expenses*

NHL's other expenses increased by 3.09% from ₹76.08 million in Fiscal 2014 to ₹78.43 million in Fiscal 2015. The increase was primarily on account of higher expenses for legal and professional, power, fuel and water expenses and repairs and maintenance expenses for machinery offset in part by lower advertisement expenses, rent expense and repairs and maintenance expenses for buildings.

### *Depreciation and amortisation expense*

NHL's depreciation and amortization expense increased by 45.50% from ₹39.47 million in Fiscal 2014 to ₹57.43 million in Fiscal 2015 primarily due to the higher capital expenses relating to our new facilities in New Delhi and Hyderabad in Fiscal 2015.

### ***Profit / (Loss) before tax***

NHL registered a decrease in loss after exceptional items and before tax of 21.32% from ₹92.47 million in Fiscal 2014 as compared to a loss after exceptional items and before tax of ₹72.71 million in Fiscal 2015. This change in profit before tax was primarily due to growth in PET-CT scan volumes as we ramp up our business.

### ***Tax expense***

NHL's tax expense in Fiscal 2014 comprises of a write back of deferred tax liability of ₹2.23 million as compared to no tax expense incurred in Fiscal 2015.

### ***Net profit / (loss) after taxes***

As a result of the factors mentioned above, NHL registered a decrease of 19.43% in loss from ₹90.24 million in Fiscal 2014 as compared to a loss of ₹72.71 million in Fiscal 2015.

### **Results for Fiscal 2014 compared with Fiscal 2013**

NHL's results from operations for Fiscal 2014 were particularly impacted by the following factors:

- Full year of commercial operations of PET-CT scanning facility in Navi Mumbai and commencement of commercial operations of its PET-CT scanning facility in New Delhi at the end of January 2014 leading to an increase in revenue as well as operating expenses;
- Increase in the employee benefits costs; and
- Increase in depreciation and amortization costs

### ***Total Income***

NHL's total income increased by 264.15% from ₹10.85 million in Fiscal 2013 to ₹39.51 million in Fiscal 2014 mainly due to an increase in revenue from operations due to commencement of commercial operations of NHL's Navi Mumbai and New Delhi facilities

### ***Revenue from operations:***

NHL's revenue from operations comprises solely of revenue from rendering PET-CT scanning and imaging services. Its revenue from operations increased significantly by 6,697.06% from ₹0.34 million in Fiscal 2013 to ₹23.11 million in Fiscal 2014. The increase was primarily on account of full year operation of the PET-CT scanning facility in Navi Mumbai as well as two months' operation of our PET-CT scanning facility in New Delhi. Fiscal 2013 revenue from operations included only one month of operations from our Navi Mumbai facility. NHL conducted 2,348 scans and 34 scans in Fiscal 2014 and 2013, respectively.

### ***Other income:***

NHL's other income increased by 56.04% from ₹10.51 million in Fiscal 2013 to ₹16.40 million in Fiscal 2014 primarily on account of increase in dividend from mutual fund.

### **Total Expenditure**

NHL's total expenditure (excluding tax expense) increased by 49.40% from ₹88.34 million in Fiscal 2013 to ₹131.98 million in Fiscal 2014 primarily on account of increase in cost of materials consumed, employee benefit expense, depreciation and other operating expenses.

#### ***Cost of materials consumed***

NHL's cost of materials consumed increased by 1,848.57% from ₹0.35 million in Fiscal 2013 to ₹6.82 million in Fiscal 2014. This was primarily on account purchase of FDG and other consumables for NHL's Navi Mumbai PET-CT scan facility that had its first full year of commercial operations and its New Delhi PET-CT scanning facility that commenced operations during Fiscal 2014. Since our cyclotron operations were commenced in February 2014, NHL purchased the FDG from a third party during Fiscal 2014 and the period of operation in Fiscal 2013.

#### ***Employee Benefits***

Expenses relating to employee benefits increased by 321.49% from ₹2.28 million in Fiscal 2013 to ₹9.61 million in Fiscal 2014. This rise was driven by an increase in NHL's average number of employees due to NHL's facilities becoming operational coupled with increase in average compensation on account of increments.

#### ***Interest on short term advances***

Interest on short-term advances of ₹6.51 million in Fiscal 2013 related to interest paid by NHL on unsecured loans provided by our Company. For further information, please see the section entitled "Related Party Transactions" on page 174.

#### ***Other Expenses***

NHL's other expenses increased by 33.87% from ₹56.83 million in Fiscal 2013 to ₹76.08 million in Fiscal 2014. The increase was primarily on account of increase in advertisement expenses incurred to market and promote the NHL brand, printing expenses, rent of ₹38.12 million paid to group company Sumathi Construction Private Limited for using the New Delhi premises at which the PET-CT scanning facility has been set up and which became operational at the end of January 2014 and also on account of other expenses incidental to usage of facilities in Navi Mumbai and New Delhi. In Fiscal 2013, NHL restated a provision for a claim of ₹18.72 million from one of its vendors for capital assets (please also see section entitled "Outstanding Litigations and Material Developments" on page 334).

#### ***Depreciation and amortisation expense***

NHL's depreciation and amortization expense increased by 76.44% from ₹22.37 million in Fiscal 2013 to ₹39.47 million in Fiscal 2014 primarily on due to depreciation on the PET-CT scanners at NHL's New Delhi facility that was capitalized in Fiscal 2014 and the depreciation for the full year on PET-CT scanners at our Navi Mumbai facility that was capitalized in March 2013.

### **Profit / (Loss) before tax**

NHL registered a loss before exceptional items and tax of ₹92.47 million in Fiscal 2014 as compared to a loss before tax and exceptional item of ₹77.49 million in Fiscal 2013. The profit after exceptional items and before tax for Fiscal 2013 was ₹2.12 million, due to a net gain on sale of premises of ₹79.61 million which accrued in Fiscal 2013. The loss before exceptional items and taxes increased from ₹77.49 million in Fiscal 2013 to ₹92.47 million in Fiscal 2014 as the PET-CT-scanning facility of NHL at Navi Mumbai had its first full year of operations in Fiscal 2014 thereby resulting in higher operational and promotional expenses.

### **Tax expense**

NHL's tax expense in Fiscal 2014 comprises of a write back of deferred tax liability of ₹2.23 million. Its tax expense in Fiscal 2013 comprises of a creation of a deferred tax liability of ₹5.50 million and current tax of ₹0.18 million.

### **Net profit / (loss) after taxes**

As a result of the factors mentioned above, NHL registered a net loss of ₹90.24 million in Fiscal 2014 as against a net loss of ₹3.56 million in Fiscal 2013.

### **Financial Condition, Liquidity and Capital Resources**

NHL's net worth as of the six months ended September 30, 2015 was ₹836.88 million. As of March 31, 2015, NHL's net worth was ₹855.44 million as compared to ₹928.15 million as of March 31, 2014. NHL is in the business of diagnostic imaging and is currently setting up a network of PET-CT scanners and medical cyclotrons in India. The diagnostic imaging business is a capital intensive business and NHL will require funding for its capital needs in the forthcoming years to fructify its expansion plans as envisaged. Further, due to NHL's molecular imaging business being relatively new, it may need to undertake extensive advertising and promotional activity to build its brand's awareness in the market. Also, as an early stage company, it will be required to hire staff, rent premises and incur other expenses to operate its existing and new PET-CT scanning centers and cyclotrons. All of the said factors may entail significant cash outflow and thus impact the cash resources of NHL in the forthcoming fiscals.

Please see "Significant Factors Affecting Our Results of Operations" herein above as well as the sections entitled "Our Business" and "Risk Factors" on pages 115 and 14, respectively.

### **Cash Flows**

The following table sets forth NHL's unconsolidated cash flows for the six months ended September 30, 2015, Fiscal 2015, Fiscal 2014 and Fiscal 2013.

| Particulars                                          | Six months ended<br>September 30,<br>2015 | (₹ in millions) |             |             |
|------------------------------------------------------|-------------------------------------------|-----------------|-------------|-------------|
|                                                      |                                           | Fiscal 2015     | Fiscal 2014 | Fiscal 2013 |
| Net cash flow from/ (used in) operating activities   | 6.36                                      | (43.24)         | (63.04)     | (71.23)     |
| Net cash flow from/ (used in) investing activities   | (3.11)                                    | 42.63           | 41.46       | 43.35       |
| Net cash flow from/ (used in) financing activities   | -                                         | -               | -           | 50.27       |
| Net increase/(decrease) in cash and cash equivalents | 3.27                                      | (0.62)          | (21.58)     | 22.38       |

#### *Cash flow from operating activities*

Net cash flows from operating activities for the six months ended September 30, 2015 consisted of net loss before tax of ₹18.55 million as adjusted for non-cash items namely depreciation and amortization of ₹36.34 million, provision for claim of ₹ 0.84 million and provision for diminution in value of investment of ₹ 0.27 million, and as decreased by non-operating heads of income and expenses including interest income of ₹0.14 million, excess provision written back of ₹ 0.30 million, profit on sale of current investments in mutual funds of ₹5.53 million, loss on dividend income from mutual funds of ₹4.61 million and further reduced for changes in working capital amounting to ₹0.68 million and income taxed paid was ₹1.28 million.

Net cash flows from operating activities for Fiscal 2015 consisted of net loss before tax of ₹72.71 million as adjusted for non-cash items namely depreciation and amortization of ₹57.43 million, provision for claims of ₹ 1.67 million, as decreased by non-operating income and expenses including interest income of ₹0.24 million and dividend income of ₹10.63 million, decreased for changes in working capital amounting to ₹19.13 million and income tax refund of ₹0.37 million.

Net cash flows from operating activities for Fiscal 2014 consisted of net loss before tax of ₹92.47 million as adjusted for non-cash items namely depreciation and amortization of ₹39.47 million, provision for claim of ₹ 1.67 million and loss on sale of current investments of ₹ 1.55 million, as decreased by non-operating income and expenses including interest income of ₹4.01 million and dividend income of ₹12.31 million, increased for changes in working capital amounting to ₹2.26 million and income taxed refund of ₹0.80 million.

Net cash flows from operating activities for Fiscal 2013 consisted of net profit before tax of ₹ 2.12 million as adjusted for non-cash items namely depreciation and amortization of ₹ 22.37 million, interest expenses of ₹ 6.51 million, provision for claims of ₹ 18.72 million, as decreased by non-operating income including interest

income of ₹ 4.33 million, dividend income of ₹ 6.16 million and profit on sale of premises of ₹ 79.61 million, decreased for changes in working capital amounting to ₹ 22.09 million and income tax paid of ₹ 8.75 million.

#### *Cash flow from investing activities*

Net cash flows from investing activities for the six months ended September 30, 2015 consisted of outflows in the form of purchase of fixed assets of ₹ 3.34 million and purchases of short-term investments of ₹55.53 million. Inflows from investing activities included proceeds of short term investments of ₹50.91 million, dividend from mutual funds of ₹4.61 million and interest of ₹0.25 million.

Net cash flows from investing activities for Fiscal 2015 consisted of outflows in the form of purchase of fixed assets of ₹42.41 million, including investment in and capitalization of PET-CT-scanners and purchases of short-term investments of ₹95.00 million. Inflows from investing activities included proceeds of short term investments of ₹169.17 million, dividend income of ₹10.63 million and interest of ₹0.24 million.

Net cash flows from investing activities for Fiscal 2014 consisted of outflows in the form of purchase of fixed assets of ₹48.45 million and purchases of short-term investments of ₹560.00 million. Inflows from investing activities included proceeds of short-term investments of ₹633.59 million, dividend income of ₹12.31 million and interest of ₹4.01 million.

Net cash flows from investing activities for Fiscal 2013 consisted of outflows in the form of purchase of fixed assets of ₹405.29 million and purchases of short-term investments of ₹356.16 million. Inflows from investing activities included proceeds from the sale of fixed assets of ₹677.51 million, loans repaid of ₹ 117 million, dividend from mutual fund of ₹6.16 million and interest of ₹4.12 million.

#### *Cash flow from financing activities*

There were no cash flows from financing activities during the six months ended September 30, 2015, Fiscal 2015 and Fiscal 2014. Fiscal 2013 consisted of inflow from issue of 1,111,000 equity shares to Norwest Venture Partners VIIIA Mauritius for ₹222.20 million, offset by repayment of short term borrowing of ₹165.42 million to the Company and interest expense of ₹6.51 million.

#### **Fixed Assets**

As at September 30, 2015, Fiscal 2015, Fiscal 2014 and Fiscal 2013, NHL had tangible assets of ₹630.68 million, ₹661.74 million, ₹570.72 million and ₹554.25 million, respectively. For the six months ended September 30, 2015, Fiscal 2015, NHL had intangible asset in the form of goodwill towards cyclotron business acquired from our company of ₹18.69 million and ₹20.77 million.

As at September 30, 2015, Fiscal 2015, Fiscal 2014 and Fiscal 2013, NHL had capital work in progress of ₹0.67 million, ₹0.57 million, ₹59.48 million and ₹46.22 million, respectively.

#### **Contingent Liabilities**

For details of contingent liabilities as of the six months ended September 30, 2015 and Fiscal 2015, please see the section titled “*Financial Statements*” on page 176.

#### **Off-balance sheet arrangements and financial instruments**

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet transactions.

#### **Related party transactions**

We have entered into and expect to continue to enter into transactions with our related parties. For details, see the section entitled “*Related Party Transactions*” and “*Financial Statements*” on page 174 and 176, respectively.

## **Quantitative and qualitative disclosure about risk and risk management**

### ***Market Risk***

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk, foreign exchange risk, inflation and commodity risk. We are exposed to different degrees of these risks in the normal course of business.

### ***Interest rate risk***

NHL has no borrowings and no interest rate exposure. However, NHL operates in a capital intensive business and may in the future be required to borrow to fund its operations. Fluctuations in interest rates may accordingly impact NHL's ability to borrow and also cost of borrowings.

### ***Foreign exchange risk***

All of NHL's operations are based in India and accordingly it faces little foreign currency exchange fluctuation risks.

### ***Commodity price risk***

The FDG required by NHL's PET-CT scanning facilities in Navi Mumbai and New Delhi are currently supplied by our Company's cyclotron facility installed in Navi Mumbai. For the PET-CT scanning facility at Hyderabad, we have a co-sharing arrangement with HGEL. Our Company and NHL are also in the process of setting up network of medical cyclotrons with the 2<sup>nd</sup> and 3<sup>rd</sup> planned cyclotrons coming up in Noida and Coimbatore respectively. We do not currently anticipate any material risk from non-availability of FDG for our PET-CT scanners.

### ***Significant Developments occurring after September 30, 2015***

Except as stated elsewhere in this Draft Red Herring Prospectus, to NHL's knowledge no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, NHL's operations or profitability, or the value of NHL's assets or ability to pay any material liabilities within the next 12 months.

### ***Unusual or Infrequent Events or Transactions***

Except as described in this Draft Red Herring Prospectus, there have been no events or transactions to NHL's knowledge which may be described as "unusual" or infrequent".

### ***Known Trends or Uncertainties***

Other than as described in the sections titled "Risk Factors", and this section and elsewhere in this Draft Red Herring Prospectus, to the best of NHL's knowledge there are no known trends or uncertainties that have had, or are expected to have, a material adverse impact on NHL's revenues or income from continuing operations.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no (i) outstanding criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) material litigation, in each case involving our Company, Directors, our Promoters, our Group Companies or Subsidiary, and (iv) any litigation involving any other person whose outcome could have a material adverse effect on our Company.*

*In relation to (iii) above, our Board in its meeting held on December 19, 2015 has considered such cases involving our Company and its Promoters, Directors, Subsidiary and Group Companies, which individually exceeds one per cent of the net profit of our Company as per the Consolidated Restated Financial Statements for the most recent financial year as material. In accordance with the Restated Consolidated Financial Statements for Fiscal 2015, the net profit of our Company was ₹ 446.50 million. Accordingly, we have disclosed outstanding litigation involving our Company and its Promoters, Directors, Subsidiary and Group Companies, individually for litigations with aggregate amount involved exceeding ₹ 4.47 million and for all litigations below such amount, we have provided summary and indicative disclosure. In relation to criminal proceeding and actions by statutory/ regulatory authorities, no materiality threshold has been applied. Taxation matters have been disclosed in a consolidated manner (separately for direct and indirect taxes).*

*Dues owed by our Company to the small scale undertakings and other creditors exceeding five per cent of total outstanding dues to the creditors and any amounts which have remained outstanding past their respective payment dates as at September 30, 2015 (being dues exceeding ₹ 1,228,764) have been considered as material dues for the Company for the purposes of disclosure in this section.*

#### **Litigation involving our Company**

##### ***Litigation filed against our Company***

#### **Civil Cases**

1. Two suits for recovery and three consumer suits have been filed against our Company and are at various stages of adjudication before various forums, involving an aggregate amount of ₹ 2.75 million. In relation to one of the suits for recovery, our Directors, Dr. A. Velumani, A. Sundararaju, Sohil Chand and Sumathi Velumani have been impleaded as parties. Our Company had also filed a revision application before the High Court of Bombay against the order of the civil court rejecting its application directing the plaintiff to drop the names of the directors as the alleged suit claim was against the Company. Additionally, our Company has filed an appeal in relation to an order passed by the Regional Provident Fund Commissioner against our Company involving an amount of ₹ 5.22 million, which is currently pending.
2. Raksha Devi Sarkar has filed a consumer complaint no. 2012/74 before the District Consumer Redressal Forum, Krishnanagar, Nadia against Samar Mallick and others on September 26, 2012 for deficiency of service. Our Company has been impleaded as a party in relation to a report issued by us which formed the basis for the complaint. No claim has been made against the Company. Our Company has filed an affidavit in reply seeking the dismissal of the complaint against us, on October 25, 2012. This matter is currently pending.

#### **Direct Tax Matters**

1. Our Company received an assessment order along with demand notice (the “**Assessment Order**”) dated February 10, 2014 from the Assistant Commissioner of Income Tax, Mumbai (the “**ACIT**”) for the assessment year 2011-2012. The ACIT issued a show cause notice on August 8, 2014 in relation to penalty proceedings. Our Company made an application in reply to the show cause notice on August 11, 2014. The ACIT passed an order dated August 28, 2014 (the “**Penalty Order**”) imposing a penalty of ₹ 0.24 million on our Company and served a notice of demand dated August 28, 2014 on our Company. Our Company has preferred an appeal against the Penalty Order before the Commissioner of Income Tax (Appeals) (the “**CIT Appeals**”) on September 19, 2014. The CIT Appeals through its order dated April 23, 2015 allowed our appeal. As on date, the ACIT has not preferred an appeal against the order passed by the CIT Appeals.



2. Our Company has received notices from the Deputy Commissioner of Income Tax (“**DCIT**”), the Assistant Commissioner of Income Tax (“**ACIT**”) and the Income Tax Officer (Intelligence)-III, Mumbai for the assessment year 2012-2013. These notices sought, amongst other things, (i) further information in relation to the return of income submitted by the Company and, (ii) verification in relation to a particular financial transaction undertaken by our Company. Our Company has replied to the notices providing the requisite information.
3. Our Company was served with an assessment order dated March 30, 2012 along with two demand notices by the Office of the Income Tax Officer (TDS) – 3(4), Mumbai (“**ITO - TDS**”) for ₹140.41 million (the “**Demand Amount**”) in relation to the assessment years 2009-2010 and 2010-2011 respectively (collectively, the “**Assessment Orders**”). Pursuant to the Assessment Orders, the ITO - TDS held our Company to be an assessee in default on account of non-deduction of tax deductible at source (“**TDS**”) on payments received from TSPs. Our Company preferred appeals against the Assessment Orders before the Commissioner of Income Tax (Appeals) – 14 (“**CIT Appeals**”) each dated April 25, 2012 (the “**Appeals**”). Pending the disposal of the Appeals, our Company has also filed an application for the stay of the Demand Amount on May 3, 2012 to which the ITO – TDS replied through letter dated June 29, 2012. The ITO – TDS, through its order dated July 20, 2012 stayed the recovery of the Demand Amount until December 31, 2012 or the disposal of the Appeal, whichever occurred earlier (the “**Stay Order**”). However, the Stay Order was subject to our Company depositing ₹ 2.5 million per month commencing from July, 2012 up to December, 2012. Subsequently, since time period for the Stay Order elapsed and the Appeal could not be disposed of, the ITO – TDS, through its order dated January 15, 2013 directed our Company to make the payment of the balance Demand Amount within seven days from receipt of such order (the “**Balance Demand Order**”). Our Company, through its letters dated February 8, 2013 and February 12, 2013 requested the ITO – TDS and CIT Appeals to stay the payment of the balance Demand Amount until the disposal of the Appeals. As on date, the total amount deposited with the ITO – TDS is ₹ 20 million. The CIT Appeals through an order dated May 29, 2013 partially allowed the Appeals and held that the TSPs were not agents of the Company and that the TSPs have deducted TDS in respect of the payments made to the Company (the “**CIT Appeals Order**”). Accordingly, the Demand Amount payable by our Company was waived through two notices, each dated June 28, 2013 issued by the ITO – TDS. Our Company has issued two letters, each dated August 28, 2013 to the ITO – TDS requesting a rectification of the notices dated June 28, 2013 by reflecting a credit of ₹10 million granted for each of the relevant assessment year by the CIT Appeals Order. The ITO TDS filed two appeals against the CIT Appeals Order before the Income Tax Appellate Tribunal, Mumbai Benches “E”, Mumbai (“**ITAT**”) challenging the CIT Appeals order which held that the TSPs have deducted TDS in respect of the payments made to our Company. The ITAT disposed of the appeals on March 31, 2015 (“**ITAT Order**”) and remanded the matter to ITO-TDS, directing it to assess the matter afresh. Our Company has filed appeals in relation to the assessment years 2009-2010 and 2010-2011, respectively, against the ITAT Order before the High Court at Bombay, which is currently pending.
4. The Deputy Commissioner of Income Tax has, through an assessment order cum demand notice dated February 28, 2015 (the “**Assessment Order**”) disallowed a sum of ₹1.20 million for the assessment year 2012-2013, which the Company had claimed as expenses and raised a demand notice dated for ₹0.39 million. Our Company paid ₹0.19 million as part of the demand amount. The Company has preferred an appeal against the Assessment Order before the Commissioner of Income Tax (Appeals)-24 on March 23, 2015. In addition, our Company has received a notice dated August 10, 2015 for assessment year 2013-2014 from the Deputy Commissioner of Income Tax requesting it to furnish certain details and explanations. Our Company has furnished the details and responded to the said notice. These matters are currently pending.
5. The Office of the Income Tax Officer, Non Corporate Ward -5(2) has, through notice dated April 20, 2015 requested our Company to furnish details for assessment year 2008-2009 in relation to the assessment of a third party. This notice has sought, amongst other things, (i) details of immovable property transactions undertaken by the Company with such third party and another and (ii) copy of income tax return filed by our Company for the said assessment year. Our Company has responded to the said notice through its letter dated April 25, 2015. The matter is currently pending.

## Indirect Tax Matters

1. Our Company has received a notice dated June 17, 2015 (received on July 9, 2015) from sales tax officer proceeding under the Central Sales Tax Act, 1956 and the Maharashtra Value Added Tax, 2002 alleging that our Company evaded taxes and seeking production of certain documents in relation to the tax audit report for the period April 2013 to March 2014. Our Company has replied to the notice on August 10, 2015. The matter is currently pending.
2. Our Company has received notice dated July 29, 2015 from Office of the Commissioner of Service Tax Audit- III, Mumbai for Fiscal 2014 indicating an alleged discrepancy of ₹ 1,499.78 million between gross value of services declared and income tax return and seeking an explanation for the discrepancy. Our Company was further instructed to submit certain documents, such as ST 3 returns and income tax returns. Our Company has replied to the said notice. The matter is currently pending.

## Notices

1. Our Company has received 19 notices from various parties demanding among other things, (i) compensation for deficiency of pathological services provided by our Company, (ii) refund of advance payment for availing the services of our Company, (iii) compensation for wrongful termination of employment; (iv) refund of security deposit due to failure in providing pathological services and (v) non-receipt of payment for post-paid services utilised by our Company. Our Company has appropriately responded to these notices and there has been no further communication from the complainants in this regard. The aggregate amount involved in the notices is ₹ 4.49 million.
2. On December 24, 2010, our Company issued 377,500 compulsorily convertible debentures of ₹ 662.25 each (at 'Nil' premium) to one of our Selling Shareholders, Agalia. As per the applicable provisions of the FEMA Regulations, we were required to file Form FC-GPR with the RBI within 30 days from the date of issuance of the securities. Our authorized dealer submitted Form FC-GPR to the RBI on January 24, 2011 as January 23, 2011, the prescribed date for filing the Form FC-GPR with the RBI, was a weekly holiday i.e. Sunday. Subsequently, the RBI, through a letter dated December 22, 2011 indicated that our Company failed to file FC-GPR within the prescribed period, to which we replied on November 4, 2014. Our Company has not received any further notice or correspondence from RBI in this regard. RBI has not issued any official decision in this regard.

## Past Penalties

1. Our Company had received a notice dated January 2, 2013 from the Deputy Controller of the Legal Metrology Department, Ambedkar Nagar (the "**Legal Metrology Department**") in relation to an alleged offence committed by the Company in the packaging of salt, in accordance with the Legal Metrology Act, 2009 and the rules made thereunder ("**Notice**"). Our Company responded to the Notice through a letter dated April 6, 2013 submitting that the salt packaging was undertaken by its vendor, Indo Brine Industries Limited and that our Company had discontinued dealing in packaging of salt since February 2013. Indo Brine Industries Limited, through a letter dated April 22, 2013 has submitted that it will bear and pay the penalty amount along with the cost involved in the case. A penalty of ₹ 0.015 million was imposed by the Legal Metrology Department on our Company through a letter dated August 26, 2013, which was remitted by Indo Brine Industries Limited on August 29, 2013 on behalf of the Company.
2. Our Company had filed an application dated June 17, 2013 before the Regional Director, Company Law Board, Western Region, Mumbai pursuant to Section 141 of the Companies Act, 1956 for condoning the delay for the period from May 1, 2004 to April 3, 2010. The Regional Director, by an order dated September 17, 2013 condoned the delay in filing the charge documents subject to the payment of ₹ 0.012 million by our Company as cost. Our Company has deposited ₹ 0.012 million on October 4, 2013.
3. Our Company had by way of a preferential allotment, inadvertently allotted 376,750 Equity Shares to 51 persons (the "**Original Allottees**") on March 22, 2005, which was not in compliance with the then applicable laws relating to a private placement of securities (the "**Stated Allotment**"). On July 16, 2015, our Company filed an application before the Company Law Board for compounding this offence, under the Companies Act, 1956, relating to the Stated Allotment. The Company Law Board, through its order dated October 14, 2015 compounded the said offence and imposed compounding fees of ₹0.05

million on our Company and ₹0.02 million on each on the two executive Directors, Dr. A. Velumani and A. Sundararaju. The compounding order has been duly complied with by our Company and the relevant Directors and pursuant to the order dated November 27, 2015, the said offences stand compounded.

### **Inquiries, inspections or investigations under the Companies Act**

There has not been any inquiry, inspection or investigation conducted against our Company under Companies Act, 2013.

### **Material Frauds against our Company**

There have been no material frauds committed against our Company in the five years preceding the date of this Draft Red Herring Prospectus.

### **Statutory Dues**

As of March 31, 2015, undisputed statutory dues including provident fund, income tax, sales tax, service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities and there has been no material delays in depositing undisputed statutory dues.

### ***Litigation filed by our Company***

#### **Civil Cases**

1. Our Company has filed a suit no. 73 of 2009 in the Co-operative Court, Mumbai on March 30, 2009 regarding a dispute in relation to a property that was sold by our Company. The dispute arose as the co-operative society charged our Company an amount which was in excess of the prescribed transfer charges and such excess amount was charged towards amenities fund and repairs, while the Company sought to sell the said property. The matter is currently pending and the aggregate amount involved is ₹ 0.91 million, plus interest.
2. Our Company has filed an injunction against Thyro Laboratories before the High Court of Madras. Thyro Laboratories uses deceptively similar trademark and is engaged in carrying on business that is similar to that being carried out by our Company. A civil suit has been filed by the Company demanding orders restraining it from using trade marks and names that are deceptively similar to those pertaining to our Company. The aggregate amount involved is ₹ 2.5 million.
3. Our Company has filed a writ petition no. 33013 of 2015 in the High Court of Judicature at Bombay (the “**Writ Petition**”), against the Navi Mumbai Municipal Corporation (“**NMMC**”) and the Assessor and Collector, NMMC on December 3, 2015 in relation to a demand notice dated March 9, 2015 issued in the name of erstwhile lessee of the plot where our Corporate Office is located, M/s. Chakan Soaps & Chemicals Limited, demanding ₹52.3 million towards arrears of property tax for plot, the lease of which was assigned to our Company in 2011-2012. In terms of the Writ Petition, our Company has submitted that the property tax has been regularly paid till 2013-2014 and that NMMC was demanding an exorbitant amount and had failed to provide our Company an opportunity of hearing, in violation of the principles of natural justice. The matter is currently pending.

#### **Criminal Cases**

1. Our Company has filed seven cases under Section 138 of the Negotiable Instruments Act, 1881 against various persons before various forums. The matters relate to dishonour of certain cheques issued to our Company and are at various stages of adjudication before the respective forums. The aggregate amount involved in these matters is ₹ 1.17 million.
2. Two police complaints have been filed by our Company against individuals in relation to printing fake report forms resembling those of our Company. The matters are still awaiting action from the authorities.

## Notices

1. Our Company has issued ten notices to various parties demanding among other things, (i) compensation for infringement of our Company's trademark; (ii) failure of the noticee to clear dues owed to our Company; and (iii) compensation for the use of our Company's confidential information. Our Company intends to pursue further legal proceedings after obtaining the necessary legal advice with respect to a majority of the notices issued. The aggregate amount involved in the notices is ₹ 10.47 million.

## Litigation involving our Subsidiary

### *Litigation filed against NHL*

#### Civil Cases

1. M/s Radiance Properties ("**Plaintiff**") has filed a summary suit No. 11 of 2013 in the Court of Civil Judge, Senior Division, Thane ("**Civil Court**") against NHL on February 16, 2013 for recovery of ₹ 18.51 million, along with interest, from NHL towards the payment of service tax pursuant to a deed of assignment entered into by the Plaintiff with NHL. NHL had made a full and final settlement of all claims in terms of the said deed. NHL applied for leave to defend on May 2, 2013. The Civil Court dismissed NHL's application by an order dated February 6, 2014 (the "**Order**"). NHL had filed a writ petition No. 5709 of 2014 on February 27, 2014 in the High Court of Judicature at Bombay for quashing and setting aside the Order and for staying the proceedings in summary suit No. 11 of 2013, which was subsequently dismissed. As a result, the matter is currently pending before the Civil Court.

#### Direct Tax Matters

1. NHL has received a notice dated December 23, 2013 from the Office of the Deputy Director of Income Tax (Intelligence), Circle - 1, Mumbai (the "**DDIT**") in relation to the purchase of a property by NHL, the document in respect of which has been registered with the office of the Sub Registrar for the Fiscal 2012 ("**Notice**"). The Notice further directed NHL to provide, amongst others, certain information such as the PAN, return of income and bank statements. NHL through its response dated December 27, 2013 furnished the required information. As on date, NHL has not received any further communication from the DDIT in this regard. The matter is currently pending.
2. NHL has received summons dated January 2, 2014 and notice dated January 21, 2014 from the income tax authorities seeking certain information, including in relation to valuation of shares issued at a premium to a foreign shareholder during Fiscal 2013. NHL has provided the requisite information through its letters dated January 10, 2014 and January 30, 2014, respectively. As on date, NHL has not received any further communication from the income tax authorities in this regard. The matters are currently pending.
3. NHL has received notices in relation to assessment years 2012-2013, 2013-2014 and 2014-2015 from the Income Tax authorities, in relation to, among other things, (i) the preparation of a true and correct return, (ii) the return of income submitted by NHL, (iii) computation of income and audit report, and (iv) details of loans and advances. NHL has replied to the notices in relation to assessment year 2012-2013 providing the requisite information. These matters are currently pending.
4. NHL is involved in a tax dispute pertaining to assessment year 2012-2013 relating to, amongst others, disallowance of expenses incurred for transfer premium for lease and claim for deferred revenue expenditure. Three demand notices dated March 23, 2015; August 24, 2015 and September 3, 2015, respectively and an assessment order dated March 23, 2015 have been issued by Assistant Commissioner of Income Tax- 16(3), requesting NHL to furnish certain details and explanations. NHL through its responses dated April 14, 2015; September 9, 2015 and September 12, 2015 has replied to the three demand notices. NHL has paid ₹ 0.006 million as the demand amount. These matters are currently pending.

## Indirect Tax Matters

1. NHL received a notice dated June 26, 2015 (the “**Notice**”) from Office of the Commissioner, Central Excise, Delhi- II (the “**Excise Commissioner**”). In terms of the Notice, the Excise Commissioner has indicated that FDG F-18 which is administered by NHL as a diagnostic dye for the purposes of PET-CT scanning is subject to excise duty under the Central Excise Act, 1944. In this regard, the Excise Commissioner has directed NHL to provide information, including in relation to (a) source of FDGs used in the diagnostics procedures; (b) payment made to the supplier of FDG F-18, if not made in-house; and (c) cost of FDG. NHL replied to the said notice on July 7, 2015 and has submitted, amongst other things, that it is not engaged in the business of manufacture of FDG (alleged to be excisable goods) and that it purchases FDG from various medical cyclotron facilities, including one owned by our Company. The matter is currently pending.

## Notices from statutory or regulatory authorities

1. NHL has received a notice dated June 8, 2015 from the Health Department of the Navi Mumbai Municipal Corporation, seeking a clarification with respect to the Pre-Conception and Pre-Natal Diagnostic Techniques Act, 1994 (“**PCPNDT Act**”). It was alleged that NHL had sex determination machineries and that it was mandatory to enrol the centre under the PCPNDT Act. NHL has responded to the notice on June 18, 2015 clarifying that its facilities (the PET-CT scanners) are not capable of undertaking sex determination of foetus or render any services related thereto and are outside the purview of the provisions of the PCPNDT Act. The matter is currently pending.
2. On the basis of a complaint filed by Kailash Abhishek Deshpande, NHL’s establishment in New Delhi was inspected by the labour authorities in terms of the Minimum Wages Act, 1948, and the Delhi Shops and Establishment Act, 1954. Pursuant to such inspection, a notice dated September 10, 2015 was issued by the office of the Deputy Labour Commissioner (South), New Delhi indicating non-production of documents under the Minimum Wages Act, 1948 and rules made thereunder; under the Delhi Shops & Establishment Act, 1954 and rules made thereunder and in relation to the illegal termination and non payment of wages. In terms of the said notice, NHL was directed to explain and provide details in relation to its employees and file a compliance report by September 22, 2015. Subsequently, on September 29, 2015, NHL received another notice from the office of the Deputy Labour Commissioner (South), New Delhi indicating that NHL had failed to comply with the directions issued. NHL was also directed to provide the relevant details by a specified date and was directed to show cause (in person) as to why legal actions should not be initiated against it. The matter is currently pending.

## Litigation filed by NHL

### Civil Cases

1. NHL has filed a writ petition no. 23240 of 2013 in the High Court of Judicature at Bombay, against the Maharashtra Industrial Development Corporation (“**MIDC**”), The Regional Officer, MIDC Mhape Industrial Area, M/s Housing Development and Infrastructure Limited and Thyrocare Properties (“**Respondents**”) on August 1, 2013 in relation to a notice demanding ₹ 73.2 million from our NHL as security deposit pursuant to a proposed transfer and assignment of a certain industrial plot to NHL. NHL has submitted that the said transfer did not go through on account of a dispute between the Auditor General’s Office and the MIDC as to the differential premium payable in connection with the said transfer. This matter is currently pending.

### Notices

1. NHL has issued two notices to various parties demanding, among other things, (i) compensation for infringement of our Company’s trademark, and, (ii) compensation for the use of our Company’s confidential information. NHL intends to pursue further legal proceedings after obtaining the necessary legal advice with respect to a majority of the notices issued. The aggregate amount involved in the notices is ₹ 1.13 million.
2. On January 15, 2013, NHL had issued 1,111,000 Equity Shares of ₹ 10 each (at a premium of ₹190 per share) to NVP. As per the applicable provisions of the FEMA Regulations, NHL was required to file

Form FC-GPR with RBI within 30 days from the date of issuance of the securities. NHL's authorized dealer submitted Form FC-GPR to RBI on February 4, 2013 *i.e.* within the prescribed period of 30 days. On October 29, 2014, the RBI informed NHL of the non-compliance with the stipulated period of time for submission of Form FC-GPR. In November 2014, NHL filed letters with the RBI to explain the factual position. NHL has not received any further notice or correspondence from RBI in this regard. The RBI has not issued any official decision in this regard.

#### **Past Penalties**

Nil

#### **Inquiries, inspections or investigations under the Companies Act**

Nil

#### **Litigation involving our Promoters**

##### **A. Dr. A. Velumani**

##### ***Litigation filed against Dr. A. Velumani***

#### **Criminal Cases**

1. A complaint dated June 18, 2014 has been filed by the Shop Inspector against Dr. A. Velumani, A. Sundararaju, Sumathi Velumani and other employees under the Bombay Shops and Establishments Act, 1948 before 3-C.J.J.D, Judicial Magistrate First Class, Vashi for alleged non-compliance with the Bombay Shops and Establishments Act, 1948. As per the Bombay Shop & Establishment Act, the licensee is supposed to display the copy of the certificate at the entrance of the premises for which the licence is obtained; however when the officer came to our office for inspection, the license was displayed at the reception on the third floor. The matter is currently pending.
2. A complaint dated 18 June, 2014 has been filed by Shop Inspector against Dr. A. Velumani, A. Sundararaju, Sumathi Velumani and other employees under the Minimum Wages Act, 1948 before 3-C.J.J.D, Judicial Magistrate First Class, Vashi for alleged non-compliance of certain provisions of the Minimum Wages Act, 1948 in relation to not maintaining visit book, not displaying the certificate and not maintaining in the prescribed format the details called for. The matter is currently pending.

#### **Civil Cases**

1. Dr. A. Velumani received a demand notice dated December 5, 2014 from the Recovery Officer, Dombivli Nagri Sahkari Bank Limited for a recovery of ₹ 33.40 million towards repayment of the principal amount of ₹ 7.5 million along with interest, search charges, legal charges and other charges, notice charges, visit charges and court fee, etc. Dr. A. Velumani has filed a dispute application before the 5th Co-operative Court, Thane, on January 20, 2015, through, challenging the claim of the Dombivli Nagri Sahkari Bank Limited, and praying for setting aside the ex-parte order of the above Court against Dr. A. Velumani and other opponents for recovery of ₹ 8.3 million, together with interest thereon at the rate of 17% p.a. from December 22, 1995 till its realisation, jointly and severally. He has also filed application for interim relief for stay of the aforesaid demand of ₹ 33.40 million and notice, till disposal of the case. The matter is currently pending.
2. For other matter involving Dr. A. Velumani, please see section entitled "*Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation filed against our Company – Civil Cases – Serial No. 1*" on page 334.

#### **Tax Matters**

Nil

## Notices

1. Dombivli Nagari Sahakari Bank Limited (“**DNS Bank**”) has issued a notice dated December 5, 2014 to Leon Consultants Private Limited demanding payment of ₹ 33.40 million with further interest at the rate of 17% p.a. on the principal loan amount of ₹ 0.075 million, based on an award allegedly issued by the Recovery Officer, DNS Bank, Dombivli, on December 5, 2014, wherein Dr. A. Velumani has been named as one of the opposite parties. Dr. A. Velumani is neither the borrower nor a guarantor. Dr. A. Velumani sent a reply dated December 27, 2014 challenging the award on various grounds. The amount involved in the matter is ₹ 33.40 million. This matter is currently pending.

### ***Litigation or legal action pending or taken by any ministry or government department or statutory authority against Dr. A. Velumani during the last five years***

1. For details, please see section entitled “*Outstanding Litigation and Material Developments – Litigation involving our Company – Past Penalties – Serial No. 3*” on page 336.

### ***Litigation filed by Dr. A. Velumani***

#### **Criminal Cases**

Nil

#### **Civil Cases**

Nil

#### **Notices**

Nil

#### **Past Penalties**

1. For details, please see section entitled “*Outstanding Litigation and Material Developments – Litigation involving our Company – Past Penalties – Serial No. 3*” on page 336.

#### ***Others***

1. SEBI had initiated adjudication proceedings against TBPL for allegedly failing to comply with certain reporting requirements arising out of certain transactions undertaken by TBPL in the equity shares of Eins Edutech Limited (earlier known as Thyrocare Laboratories Limited) and resulting in the alleged violation of Regulation 7 (1) read with Regulation 7(2) and Regulation 7 (1A) read with Regulation 7(2) of the SEBI Takeover Regulations, 1997. Our Promoters are also the promoters of TBPL. SEBI, through an adjudication order dated June 24, 2014 (the “**Order**”), imposed a penalty of ₹ 1.00 million on TBPL under the SEBI Act. TBPL has preferred an appeal against the Order before the Securities Appellate Tribunal (the “**SAT**”) on August 11, 2014. The matter is currently pending before the SAT.
2. SEBI had initiated adjudication proceedings against TDPL for allegedly failing to comply with certain reporting requirements arising out of certain transactions undertaken by TDPL in the equity shares of Eins Edutech Limited (earlier known as Thyrocare Laboratories Limited) and resulting in the alleged violation of Regulation 7 (1) read with Regulation 7(2) and Regulation 7 (1A) read with Regulation 7(2) of the SEBI Takeover Regulations, 1997. Our Promoters are also the promoters of TDPL. SEBI, through an adjudication order dated June 24, 2014 (the “**Order**”), imposed a penalty of ₹ 1.00 million on TDPL under the SEBI Act. TDPL has preferred an appeal against the Order before the SAT on August 11, 2014. The matter is currently pending before the SAT.

**B. A. Sundararaju**

***Litigation filed against A. Sundararaju***

**Criminal Cases**

1. For details, please see section entitled “*Outstanding Litigation and Material Developments – Litigation involving our Promoters – Litigation filed against Dr. A. Velumani – Criminal Cases – Serial No. 1 and Serial No. 2*” on page 340.

**Civil Cases**

1. For details, please see section entitled “*Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation filed against our Company – Civil Cases – Serial No. 1*” on page 334.

**Tax Matters**

Nil

**Notices**

Nil

***Litigation or legal action pending or taken by any ministry or government department or statutory authority against A. Sundararaju during the last five years***

1. For details, please see section entitled “*Outstanding Litigation and Material Developments – Litigation involving our Company – Past Penalties – Serial No. 3*” on page 336.

***Litigation filed by A. Sundararaju***

**Criminal Cases**

Nil

**Civil Cases**

Nil

**Notices**

Nil

**Past Penalties**

1. For details, please see section entitled “*Outstanding Litigation and Material Developments – Litigation involving our Company – Past Penalties – Serial No. 3*” on page 336.

***Others***

1. SEBI had initiated adjudication proceedings against Thyrocare Laboratories Limited (“TLL”) for allegedly failing to comply with certain reporting requirements resulting in the violation of Regulation 6 and Regulation 8 of the SEBI Substantial Acquisition of Shares and Takeover Regulations, 1997. SEBI, through an adjudication order dated August 31, 2004 (the “**Order**”), imposed a penalty of ₹ 150,000 on TLL under the SEBI Act. TLL preferred an appeal against the Order before the Securities Appellate Tribunal (the “**SAT**”). The SAT dismissed the appeal and upheld the Order by its decision dated June 28, 2006. A. Sundararaju and Sumathi Velumani were non-executive directors of TLL at the time when the offence is alleged to have occurred.



2. For other cases involving A. Sundararaju, please see the section entitled “*Outstanding Litigation and Material Developments – Litigation involving Promoters – Dr. A. Velumani – Others – Serial Nos. 1 and 2*” on page 341.

#### **Litigation involving Directors**

##### **A. Dr. A. Velumani**

For matters involving Dr. A. Velumani, please see section entitled “*Outstanding Litigation and Material Developments – Litigation involving Promoters – Dr. A. Velumani.*” on page 340.

##### **B. A. Sundararaju**

For matters involving A. Sundararaju, please see section entitled “*Outstanding Litigation and Material Developments – Litigation involving Promoters – A. Sundararaju.*” on page 342.

##### **C. Sumathi Velumani**

#### ***Litigation filed against Sumathi Velumani***

##### **Criminal Cases**

1. For details, please see section entitled “*Outstanding Litigation and Material Developments – Litigation involving our Promoters – Litigation filed against Dr. A. Velumani – Criminal Cases – Serial No. 1 and Serial No. 2*” on page 340.

##### **Civil Cases**

1. For details, please see section entitled “*Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation filed against our Company – Civil Cases- Serial No. 1*” on page 334.

##### **Tax Matters**

Nil

##### **Notices**

Nil

#### ***Litigation filed by Sumathi Velumani***

##### **Criminal Cases**

Nil

##### **Civil Cases**

Nil

##### **Notices**

Nil

##### **Past Penalties**

Nil

***Others***

1. For details, please see the section entitled “*Outstanding Litigation and Material Developments – Litigation involving Promoters – A. Sundararaju – Others – Serial No. 1*” at page 342.

**D. Gopal Shivram Hegde**

***Litigation filed against Gopal Shivram Hegde***

**Criminal Cases**

Nil

**Civil Cases**

Nil

**Tax Matters**

Nil

**Notices**

Nil

***Litigation filed by Gopal Shivram Hegde***

**Criminal Cases**

Nil

**Civil Cases**

Nil

**Notices**

Nil

**Past Penalties**

Nil

**E. Vishwas Kulkarni**

***Litigation filed against Vishwas Kulkarni***

**Criminal Cases**

Nil

**Civil Cases**

Nil

**Tax Matters**

Nil

**Notices**

Nil

***Litigation filed by Vishwas Kulkarni*****Criminal Cases**

Nil

**Civil Cases**

Nil

**Notices**

Nil

**Past Penalties**

Nil

**F. N. Palinisamy*****Litigation filed against N. Palinisamy*****Criminal Cases**

Nil

**Civil Cases**

Nil

**Tax Matters**

Nil

**Notices**

Nil

***Litigation filed by N. Palinisamy*****Criminal Cases**

Nil

**Civil Cases**

Nil

**Notices**

Nil

**Past Penalties**

Nil

**G. Dr. Neetin S. Desai**

***Litigation filed against Dr. Neetin S. Desai***

**Criminal Cases**

Nil

**Civil Cases**

Nil

**Tax Matters**

Nil

**Notices**

Nil

***Litigation filed by Dr. Neetin S. Desai***

**Criminal Cases**

Nil

**Civil Cases**

Nil

**Notices**

Nil

**Past Penalties**

Nil

**H. Sohil Chand**

***Litigation filed against Sohil Chand***

**Criminal Cases**

Nil

**Civil Cases**

1. For details, please see section entitled “*Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation filed against our Company – Civil Cases – Serial No. 1*” on page 334.

**Tax Matters**

Nil

**Notices**

Nil

### ***Litigation filed by Sohil Chand***

#### **Criminal Cases**

Nil

#### **Civil Cases**

Nil

#### **Notices**

Nil

#### **Past Penalties**

Nil

### **Litigation involving our Group Companies**

#### **A. Thyrocare Properties**

#### ***Litigation filed against Thyrocare Properties***

#### **Criminal Cases**

Nil

#### **Civil Cases**

1. Thyrocare Properties had acquired 14.40 acres of land in Chettipalayam village from a power agent representing the erstwhile owners (“**Erstwhile Owners**”). Thyrocare Properties sold the said land to PCPL in 2007. On account of some interference with the peaceful possession of the said property by PCPL, PCPL has filed a suit before the District Munsif Court, Coimbatore, seeking to restrain Thyrocare Properties and the other persons from interfering in the possession of PCPL. The matter is currently pending.

#### **Tax Matters**

1. An appeal was filed by Thyrocare Properties before Commissioner of Income Tax (Appeals) on December 9, 2014 against the order of the DCIT 8(3), passed under Section 143(3) read with Section 147 of Income Tax Act, 1961, by reopening the assessment by issuing notice under Section 148 of the Income Tax Act, 1961 and for disallowing expenses claimed against the income from house property. The Commissioner of Income Tax (Appeals) disallowed the ground of appeal. An appeal against the order of the Commissioner of Income Tax (Appeals) has been filed by Thyrocare Properties before the Income Tax Appellate Tribunal (“**ITAT**”) on February 6, 2015. The ITAT passed an ex-parte order on September 24, 2015 as the authorised representative on behalf of Thyrocare Properties did not attend the hearing. Thyrocare Properties intends to file a review petition. The matter is currently pending.
2. The Income Tax Officer 11(3)(1) has issued notice, under Section 142(1) of the Income Tax Act, to Thyrocare Properties for assessment year 2013-2014 on October 7, 2015 calling for information on the points relevant to the filing of income tax return for the assessment year 2013-2014. The authorised representative of Thyrocare Properties has attended before the Income Tax Officer and furnished the requisite details. The matter is currently pending.
3. The Deputy Commissioner of Income Tax 15(3)(1), Mumbai passed an order (“**Impugned Order**”) dated February 23, 2015 for assessment year 2012-2013 disallowing expenses under Section 14A of the Income Tax Act, 1961 and thereby, reducing the carried forward losses claimed for the assessment year 2012-2013. Thyrocare Properties has preferred an appeal before CIT against the Impugned Order. The matter is currently pending.

## **Notices**

Nil

## ***Litigation filed by Thyrocare Properties***

### **Criminal Cases**

Nil

### **Civil Cases**

1. Thyrocare Properties owned an office premises in Corporate Centre Premises, Andheri, which it sold. To approve the transfer, the co-operative society of the office premises demanded nearly ₹0.80 million, even though the maximum amount the co-operative society was authorised to charge for the transfer was ₹ 0.025 million. To facilitate the transfer, Thyrocare Properties paid the money under protest but it thereafter, filed a case before Co-Operative Court, Ballard Estate, Mumbai (“**Co-Operative Court**”) seeking refund of excess amount collected by co-operative society. The Co-Operative Court asked the co-operative society to deposit ₹ 0.91 million in a separate account, pending disposal of the case and the same has not been deposited by the co-operative society yet. The amount involved in the matter is 0.91 million. The matter is currently pending.
2. Thyrocare Properties entered into two agreements with SQ Builders on June 14, 2007 for purchase of two flats in third floor of a building called ‘Zenish’, in Kondivita village, Andheri East, and paid to SQ Builders the full consideration of ₹ 2.62 million and a further sum of ₹ 1.5 million for completing the work. As the builder is undertaking further construction over the third floor, utilising additional FSI, Thyrocare Properties has not yet obtained possession. Meanwhile, Kailashchandra Doli filed a suit against Qudoos Rauf Khan on January 23, 2008 before City Civil Court, Dindoshi, Mumbai, claiming to have entered into an unregistered MoU with SQ Builders for purchase of the abovementioned two flats, and that he has also paid an advance. Kailashchandra Doli sought specific performance of the said MoU. On coming to know of this, Thyrocare Properties has filed a chamber summons on November 3, 2015 in City Civil Court at Dindoshi, for intervening in the matter to protect its rights. The matter is currently pending.

## **Notices**

Nil

## **Past Penalties**

Nil

## **B. Thyrocare Publications**

## ***Litigation filed against Thyrocare Publications***

### **Criminal Cases**

Nil

### **Civil Cases**

Nil

## **Tax Matters**

Nil

**Notices**

Nil

***Litigation filed by Thyrocare Publications*****Criminal Cases**

Nil

**Civil Cases**

Nil

**Notices**

Nil

**Past Penalties**

Nil

**C. SCPL*****Litigation filed against SCPL*****Criminal Cases**

Nil

**Civil Cases**

Nil

**Tax Matters**

1. SCPL has received notices from the Income Tax authorities in relation to assessment years 2013-2014 and 2014 - 2015 instructing SCPL to attend hearings as specified and calling for information on the points relevant to the filing of income tax return for the said assessment years. The authorised representative of SCPL has attended before the Income Tax authorities and furnished the requisite details. The matters are currently pending.

**Notices**

Nil

***Litigation filed by SCPL*****Criminal Cases**

Nil

**Civil Cases**

Nil

**Notices**

Nil

**Past Penalties**

Nil

**D. SIPL*****Litigation filed against SIPL*****Criminal Cases**

Nil

**Civil Cases**

Nil

**Tax Matters**

1. Notices dated December 11, 2015 and August 18, 2015 have been served on SIPL by the Deputy Commissioner of Income Tax, Circle (5) 1, Kolkata, for the assessment years 2013-2014 seeking information in relation to the income-tax returns filed by SIPL. The matter is currently.

**Notices**

Nil

***Litigation filed by SIPL*****Criminal Cases**

Nil

**Civil Cases**

Nil

**Notices**

Nil

**Past Penalties**

Nil

**E. MAPL*****Litigation filed against MAPL***

Nil

**Civil Cases**

Nil

**Tax Matters**

1. The notices dated October 29, 2015 and January 15, 2015 issued by were served on MAPL by the Income Tax Officer 15(2)(3), Mumbai, for the assessment years 2013-2014 seeking information in relation to the income-tax returns filed by MAPL. The matter is currently pending.



**Notices**

Nil

***Litigation filed by MAPL*****Criminal Cases**

Nil

**Civil Cases**

Nil

**Notices**

Nil

**Past Penalties**

Nil

**F. TGL*****Litigation filed against TGL*****Criminal Cases**

Nil

**Civil Cases**

1. Dr. Yousef was an employee of Gulf Electronic Management Systems Company WLL (“**GEMS**”) who was seconded to TGL until December 31, 2014. He left GEMS on December 31, 2014 and a final settlement was done as per company rules and law of Bahrain. His salary at the time of leaving GEMS was BD 2200. Around January 3, 2015, he approached TGL for employment and TGL offered him BD 700 plus expenses. He rejected the offer but agreed to work till January 31, 2015 to get all the balance confirmation. On completion of the said period, TGL paid him the final amount due to him. After receiving the final settlement amount and signing for the same, he contested that he should be paid the same amount he was drawing is GEMS which was declined. He has approached the Civil Law Court, Bahrain for the same claiming that since GEMS owns 49% of TGL, he is entitled for the same salary. The matter is currently pending.

**Tax Matters**

Nil

**Notices**

Nil

***Litigation filed by TGL*****Criminal Cases**

Nil

**Civil Cases**

Nil

**Notices**

Nil

**Past Penalties**

Nil

**G. TIHCM*****Litigation filed against TIHCM*****Criminal Cases**

Nil

**Civil Cases**

Nil

**Tax Matters**

Nil

**Notices**

Nil

***Litigation filed by TIHCM*****Criminal Cases**

Nil

**Civil Cases**

Nil

**Notices**

Nil

**Past Penalties**

Nil

**Outstanding dues to Creditors**

Our Company had net outstanding dues to creditors amounting to ₹ 24.58 million on a consolidated basis, as on September 30, 2015. Our Board considers net outstanding dues exceeding ₹ 1,228,764 to small scale undertakings and other creditors as material dues for our Company.

Our Company did not owe any small scale undertakings any amounts exceeding ₹1,228,764 as of September 30, 2015.

Our Company, in its ordinary course of business, had five creditors with the net outstanding dues to them aggregating to ₹ 15.84 million as of September 30, 2015. There are no outstanding disputes between our Company and such creditors in relation to payments to be made to them.

The details pertaining to the net outstanding dues towards such creditors as on September 30, 2015, are available on the website of our Company at <https://beta.thyrocare.com/investors.html>. The details in relation to other

creditors and amount payable to each creditor available on the website of our Company do not form a part of this Draft Red Herring Prospectus.

### **Material Developments**

For details of material developments, please see the section entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 294.

## GOVERNMENT AND OTHER APPROVALS

Our Company and our Subsidiary have received the material consents, licenses, permissions, registrations and approvals from the Government, various governmental agencies and/or other statutory and regulatory authorities required for carrying out our present diagnostics and pathology services business and except as mentioned below, no further material approvals are required by our Company for carrying on its present diagnostics and pathology services business. Our Company and our Subsidiary undertake to obtain all approvals and licenses and permissions required to operate our diagnostics and pathology services business. Unless otherwise stated, the approvals or licenses set out below are all valid as of the date of this Draft Red Herring Prospectus other than approvals and licenses which are a one time requirement for procuring radioactive material for the operation of our medical cyclotron facility and the PET-CT installations of our Subsidiary. For further details in relation to the overview of applicable regulatory and legal framework, see the section entitled “*Regulations and Policies*” at page 136.

The objects clause of the Memorandum of Association enables our Company and our Subsidiaries to undertake its present business activities.

### **I. Approvals in relation to our Company**

The approvals obtained by our Company include the following:

#### **1. Approvals in relation to Incorporation**

- (i) Certificate of incorporation dated January 28, 2000 issued by the Deputy, Registrar of Companies, Maharashtra.
- (ii) Certificate of commencement of business dated March 7, 2000 issued by the Deputy, Registrar of Companies, Maharashtra.

#### **2. Approvals in relation to the Offer**

For the approvals and authorisations obtained by our Company in relation to the Offer see the section entitled “*Other Regulatory and Statutory Disclosures- Authority for the Offer*” on page 359.

#### **3. Approvals under tax laws**

- (a) Permanent Account Number (AABCT2577P) issued by the Commissioner of Income Tax under the Income Tax Act.
- (b) Tax Deduction Account Number (MUMT07390F) issued by the Income Tax Department, Government of India.
- (c) Tax payer identification (No. 27610262337C) dated April 1, 2006, last amended on May 10, 2010, issued by the sales tax officer, Thane Division for registration as a dealer of specified goods under the Central Sales Tax Act, 1956.
- (d) Tax payer identification (No. 27610262337V) dated April 1, 2006, last amended on May 10, 2010, issued by the sales tax officer, Thane Division for registration as a dealer of specified goods under the Maharashtra Value Added Tax Act.
- (e) Service tax registration (No. AABCT2577PST001) dated January 25, 2005, last amended on July 10, 2015 issued by the Central Board of Excise and Customs for service tax registration.
- (f) Certificate of registration (No. 27610262337P) dated January 22, 2013, issued by the profession tax officer, Mumbai, under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.
- (g) Local body tax registration certificate (No. NMMC/CEG/04/03173) dated March 21, 2013 issued by the Navi Mumbai Municipal Corporation

- (h) Certificate of registration (No.269348) for payment of Central Sales Tax, dated April 20, 2015, with effect from March 11, 2015 issued by the Commercial Taxes Department, Government of Tamil Nadu.
- (i) Certificate of registration (No. 33326299532 ) for payment of Value Added Tax, dated April 20, 2015, with effect from March 11, 2015 issued by the Commercial Taxes Department, Government of Tamil Nadu .

**4. Approvals in relation to the medical cyclotron facility that produces radioactive bio-markers required for cancer imaging**

- (a) Approval (No. AERB/RSD/MCY/BY-003/2012/7665) dated June 18, 2012 issued by the Atomic Energy Regulatory Board, Government of India for the proposed site of the medical cyclotron facility at M/s Thyrocare Technologies Limited, Plot No. D/37-1 TTC MIDC, Turbhe, Navi Mumbai.
- (b) Approval (No. AERB/RSD/MCY/BY-003/2012/12564) dated October 1, 2012 issued by the Atomic Energy Regulatory Board, Government of India for design and construction of the medical cyclotron facility (model GE PET trace 880) at M/s Thyrocare Technologies Limited, Plot No. D/37-1 TTC MIDC, Turbhe, Navi Mumbai.
- (c) Approval (No. AERB/RSD/MCY-Pln/BY-03/2012/14504) dated December 04, 2012 issued by the Atomic Energy Regulatory Board, Government of India for approval of layout plan of medical cyclotron facility at M/s Thyrocare Technologies Limited, Plot No. D/37-1 TTC MIDC, Turbhe, Navi Mumbai.
- (d) Approval (No. AERB/RSD/MCY-RSO/BY-144/2013/10130) dated July 19, 2013 issued by the Atomic Energy Regulatory Board, Government of India for the appointment of Dr. Bokka Rajashekharrao as the radiological safety officer in the medical cyclotron facility and valid up to July 31, 2016.
- (e) Letter of Extension (No. AERB/RSD/MCY/BY-003/2014/7416) dated July 30, 2014 issued by the Atomic Energy Regulatory Board, Government of India, to enable Company to continue trial run operations of the medical cyclotron under the terms and conditions vide their grant of license letter (No. AERB/RSD/MCY/BY-003/2014) dated February 6, 2014, till further advice by the Atomic Energy Regulatory Board, Government of India.
- (f) License (No. AERB/RSD/MCY/BY-003/2014/8364) dated September 1, 2014 issued by the Atomic Energy Regulatory Board, Government of India for the operation of the medical cyclotron facility at M/s Thyrocare Technologies Limited, Plot No. D/37-1 TTC MIDC, Turbhe, Navi Mumbai and valid up to September 30, 2017.

We have made an application dated December 18, 2015, to AERB to transfer of the operation license of the medical cyclotron of our Company to our Subsidiary. As per the requirements of this application, the original approval and license in relation to the medical cyclotron have been attached to the application. For further details, see section entitled “*Government and Other Approvals – Approvals in relation to our Company - Approvals in relation to the medical cyclotron facility that produces radioactive bio-markers required for cancer imaging*” on page 355.

**5. Additional Approvals in relation to our Business Operations**

In addition to tax related approvals and approvals received from AERB for operating our medical cyclotron we require various approvals and/or licenses under various laws, rules and regulations. These approvals and/or licenses include registration under the Shops and Establishments acts of the various states where we have set up operations, approvals from the respective state pollution control boards, trade licenses in the various states where we have set up operations, licenses under the Drugs and Cosmetics Act, 1940, license issued by the Central Drugs Standard Control Organisation, Ministry of Health & Family Welfare, registration with the Department of Posts and under the Press and Registration of Books Act,

1867, labour law related approvals, approvals under Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and the Employees State Insurance Corporation. And quality assurance related certifications.

We have obtained material consents, licenses, registrations, permissions and approvals from the governmental and regulatory authorities that are required for carrying on our present business. In the event, that any of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we apply for their renewal from time to time. Additionally, some of these consents, licenses, registrations, permissions and approvals from the governmental and regulatory authorities that are required for carrying on our present business are obtained from the concessioning authorities or entities, the terms and conditions of which, we are required to comply with.

#### **6. Approvals applied for but not received**

Certain material consents, licenses, registrations, permissions and approvals that are required to be obtained by our Company for undertaking its business have lapsed in their normal course or still remain outstanding as of the date of filing of this Draft Red Herring Prospectus. Our Company has either made an application to the relevant Central or State government authorities for fresh issuance or for renewal of such consents, licenses, registrations, permissions and approvals or is in the process of making such applications. Some of the material consents, licenses, registrations, permissions and approvals for which applications have been made by our Company include:

- (a) Application dated December 15, 2015 made to the Department of Labour for registration of the RPL at Hyderabad under the Andhra Pradesh Shops and Establishments Act, 1988.
- (b) Application dated December 18, 2015 made to the Head of Radiological Safety Division, Atomic Energy Regulatory Board for guidance in relation to transfer of operation license of the medical cyclotron of our Company to our Subsidiary. As per the requirements of this application, the original approval and license in relation to the medical cyclotron have been attached to the application. For further details, see section entitled "*Government and Other Approvals – Approvals in relation to our Company - Approvals in relation to the medical cyclotron facility that produces radioactive bio-markers required for cancer imaging*" on page 355.
- (c) Application dated December 18, 2015 made to the Area Manager, Regional Office, MIDC, Mahape made by our Company for sub-lease of part portion of an area of 1332.23 square metres of Plot No. D-37/1, MIDC, TTC Industrial Area, Navi Mumbai, from our Company to our Subsidiary for a period of 67 years.

#### **7. Approvals for which applications are yet to be made**

Certain consents, license, registrations, permissions and approvals may have lapsed in their normal course or may not have been applied for by our Company as on the date of filing of this Draft Red Herring Prospectus. Our Company undertakes to obtain all consents, approvals, licenses, registrations and permissions required to operate its business. Some of the material consents, licenses, registrations, permission and approvals that have elapsed for which applications are yet to be made by our Company include:

- (a) Approval to be obtained from the Andhra Pradesh Pollution Control Board for operation of the RPL at Hyderabad.
- (b) Approval from the West Bengal Pollution Control Board for operation of the RPL at Kolkata.
- (c) Approval for a trade license for the RPL at Kolkata.
- (d) Approval from the Madhya Pradesh Pollution Control Board for operation of the RPL at Bhopal.

- (e) Approval under the West Bengal Shops and Establishments Act, 1963, for operation of the RPL at Kolkata.
- (f) Approval under the Madhya Pradesh Shops and Establishments Act, 1958, for operation of the RPL at Bhopal.
- (g) Approval for a trade license for the RPL at Bhopal.
- (h) Approval for a trade license for the RPL at Hyderabad.

## **II. Approvals in relation to our Subsidiary**

The approvals required to be obtained by our Company include the following:

### **1. Approvals in relation to Incorporation**

- (a) Certificate of incorporation dated January 31, 2011, issued by the Deputy, Registrar of Companies, Maharashtra.
- (b) Certificate of commencement of business dated February 24, 2011 issued by the Deputy, Registrar of Companies, Maharashtra.

### **2. Approvals under tax laws**

- (a) Permanent Account Number (AADCN5392G) dated January 31, 2011 issued by the Commissioner of Income Tax under the Income Tax Act.
- (b) Tax Deduction Account Number (MUMN18668G) issued by the Income Tax Department, Government of India.

In addition to the above, our Subsidiary is required to obtain various tax registrations in relation to its business in each of the cities it operates in.

### **3. Approvals for nuclear medicine facility**

Three licenses have been issued by the Radiological Safety Division of the Atomic Energy Regulatory Board, Government of India, for operation of PET/CT installations in favour of our Subsidiary.

#### **(i) Approvals for the PET-CT installation at Hyderabad**

Eight approvals issued by the Radiological Safety Division of the Atomic Energy Regulatory Board, Government of India have been obtained for the lay out plan for the proposed PET/CT installation, operating license, receipt of radioactive material, import of radioactive material in relation to the PET/CT installation and appointment of radiological safety officer at Namitha Grand "B", H. No. 1-9-645, Vidyanagar, Zamistanpur Village, Musheerabad Mandal, Hyderabad.

#### **(ii) Approvals for the PET-CT installations at New Delhi**

Nine approvals issued by the Radiological Safety Division of the Atomic Energy Regulatory Board, Government of India have been obtained for the lay out plan for the PET/CT installation, operation of PET/CT installation, receipt of radioactive material and import of radioactive material at Plot No. 260-262, Tribhuvan Complex, Ishwar Nagar, New Friend Colony, New Delhi-110065.

#### **(iii) Approvals for the PET-CT installations at Kopar Khairane, Mumbai**

11 approvals issued by the Radiological Safety Division of the Atomic Energy Regulatory Board, Government of India have been obtained for the lay out plan for PET/CT installation, operation of PET/CT installation, receipt of radioactive material, import of radioactive material and appointment of radiological safety officer at No. 4/1 A, Sector 23, Kopar Khairane, Navi Mumbai.

**4. Additional Approvals in relation to the business of our Subsidiary**

In addition to tax related approvals and approvals received from AERB in for operating the PET/CT centres, our Subsidiary requires various approvals and/or licenses under various laws, rules and regulations. These approvals and/or licenses include registration under the Shops and Establishments acts of the various states where we have set up operations, approvals from the respective state pollution control boards, registration under the value added tax statutes of the states our Subsidiary operates and approval for importer exporter code.

We have obtained consents, licenses, registrations, permissions and approvals from the governmental and regulatory authorities that are required for carrying on our present business. In the event, that any of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we apply for their renewal from time to time. Additionally, some of these consents, licenses, registrations, permissions and approvals from the governmental and regulatory authorities that are required for carrying on our present business are obtained from the concessioning authorities or entities, the terms and conditions of which, we are required to comply with.

**5. Approvals applied for, but not received**

Certain material consents, licenses, registrations, permissions and approvals that are required to be obtained by our Subsidiary for undertaking its business have lapsed in their normal course. Our Subsidiary will make an application to the relevant Central or State government authorities for fresh issuance or for renewal of such consents, licenses, registrations, permissions and approvals.

**6. Approvals for which applications are yet to be made**

Certain consents, license, registrations, permissions and approvals may have lapsed in their normal course or may not have been applied for by our Subsidiary as on the date of filing of this Draft Red Herring Prospectus. Our Subsidiary undertakes to obtain all consents, approvals, licenses, registrations and permissions required to operate its business. Some of the material consents, licenses, registrations, permission and approvals that have elapsed for which applications are yet to be made by our Subsidiary include:

- (a) Registration for value added tax and central sales tax for the Turbhe, Navi Mumbai.
- (b) Registration issued under the Maharashtra Value Added Tax Act for the installation at Turbhe, Navi Mumbai.
- (c) Registration issued under the Central Sales Tax Act for the installation at Turbhe, Navi Mumbai.
- (d) Registration with the Andhra Pradesh Pollution Control Board for the PET-CT facility installation at Hyderabad.



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

1. The Offer has been authorised by a resolution of the Board of Directors passed at their meeting held on December 24, 2015.
2. The Selling Shareholders, have approved the transfer of the Equity Shares pursuant to the Offer as set out below:

| Sr. No. | Name of the Selling Shareholder | Date of board resolution/ consent letter | Maximum number of the Equity Shares offered for sale |
|---------|---------------------------------|------------------------------------------|------------------------------------------------------|
| 1.      | Agalia                          | December 21, 2015                        | 10,207,472                                           |
| 2.      | Anand Velumani                  | December 21, 2015                        | 177,236                                              |
| 3.      | A. Velumani HUF                 | December 21, 2015                        | 180,000                                              |
| 4.      | A. Sundararaju HUF              | December 21, 2015                        | 180,000                                              |

Each of the Selling Shareholders has confirmed that the Equity Shares proposed to be offered and sold by it in the Offer are eligible to be offered for sale in accordance with the SEBI Regulations, and that Equity Shares offered and sold by it are free from any lien, charge, encumbrance or contractual transfer restrictions. The Selling Shareholders have also confirmed that they are the legal and beneficial owners of the Equity Shares being offered under the Offer.

Our Company received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

### Prohibition by SEBI or Other Governmental Authorities

Our Company, our Promoters, our Directors, Promoter Group entities, our Group Companies, the persons in control of our Company and the Selling Shareholders, have not been debarred or prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoters, our Directors or persons in control of our Company are or were associated as promoters, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors are associated with the securities market. Other than as disclosed under the section entitled “*Outstanding Litigation and Material Developments*” on page 334 there has been no action taken by SEBI against our Directors or any entity the Directors are involved in as promoters or directors. None of the entities that our Directors are associated with are engaged in securities market related business and are registered with SEBI.

### Prohibition by RBI

Neither our Company, our Promoters, relatives of Promoters (as defined under Companies Act, 2013), Directors, our Group Companies, nor the Selling Shareholders have been identified as wilful defaulters by the RBI or any other governmental authority. Except as disclosed in section entitled “*Outstanding Litigation and Material Developments*” on page 334, there are no violations of securities laws committed by them in the past or are pending against them.

### Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(1) of the SEBI Regulations as explained under the eligibility criteria calculated in accordance with the restated financial information prepared in accordance with the Companies Act and restated in accordance with the SEBI Regulations:

- Our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each), of which not more than 50% is held in monetary assets: For Fiscals 2014, 2012 and 2011, the monetary assets of our Company exceeded 50% of its net tangible assets. However, since the Offer is being made entirely through an offer for sale, pursuant to second proviso to Regulation 26(1)(a)

of the SEBI Regulations, our Company is compliant with the eligibility norms stipulated under Regulation 26(1) of the SEBI Regulations;

- Our Company has a minimum average pre-tax operating profit of ₹ 150 million calculated on a standalone and consolidated basis, as restated, during the three most profitable years out of the immediately preceding five years;
- Our Company has a pre-Offer net worth of not less than ₹ 10 million in each of the preceding three full years (of 12 months each); and
- The aggregate of the Offer and all issues made by our Company after 31 March 2015 does not exceed five times the pre-Offer net worth of our Company as per the audited accounts for the year ended 31 March 2015.
- There has not been any change in the name of our Company within the last one year.

Our Company's net worth, net tangible assets and pre-tax operating profit derived from the Restated Financial Statements included in this Draft Red Herring Prospectus as at for the last five years ended Fiscal 2015 are set forth below:

(₹ in million)

| Particulars                                                | Financial year ended 31 March 2015 |              | Financial year ended 31 March 2014 |              | Financial year ended 31 March 2013 |              | Financial year ended 31 March 2012 |              | Financial year ended 31 March 2011 |              |
|------------------------------------------------------------|------------------------------------|--------------|------------------------------------|--------------|------------------------------------|--------------|------------------------------------|--------------|------------------------------------|--------------|
|                                                            | Stand-alone                        | Consolidated | Stand-alone                        | Consolidated | Stand-alone                        | Consolidated | Stand-alone                        | Consolidated | Stand-alone                        | Consolidated |
| Net tangible assets <sup>(1)</sup>                         | 2,778.43                           | 2,282.52     | 2,054.04                           | NA           | 1,593.14                           | NA           | 1,018.92                           | NA           | 673.47                             | NA           |
| Pre-tax Operating Profit <sup>(2)</sup>                    | 625.72                             | 591.59       | 623.18                             | NA           | 601.49                             | NA           | 469.04                             | NA           | 342.85                             | NA           |
| Net Worth <sup>(3)</sup>                                   | 2,789.19                           | 2,746.68     | 2,062.63                           | NA           | 1,601.07                           | NA           | 1,024.76                           | NA           | 675.33                             | NA           |
| Monetary assets <sup>(4)</sup>                             | 679.80                             | 893.97       | 1,132.94                           | NA           | 772.33                             | NA           | 593.45                             | NA           | 402.56                             | NA           |
| Monetary assets as a percentage of the net tangible assets | 24%                                | 39%          | 55%                                | NA           | 48%                                | NA           | 58%                                | NA           | 60%                                | NA           |

Source: Restated Financial Statements

1. 'Net tangible assets' means the sum of all net assets of the Company excluding intangible assets as defined in Accounting Standard 26 as defined under Companies (Accounting Standards) Rules, 2006;
2. 'Pre-tax operating profit', has been calculated as net profit before the aggregate of tax, finance costs, other income and exceptional items in accordance with AS 5 as defined under Companies (Accounting Standards) Rules, 2006;
3. 'Net worth' means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of the miscellaneous expenditure (to the extent not adjusted or written off) and debit balance of the profit and loss account;
4. 'Monetary assets' comprises of cash on hand, cheques in hand, balance with banks (including the deposits lienied with bank and interest accrued thereon) and investments to be received in fixed or determinable amounts of money;
5. 'Share Capital' refers to aggregate of the Offer and all issues made by the Company.

Further, in accordance with Regulation 26(4) of the SEBI 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 failing which the entire application monies shall be refunded forthwith.

Except as disclosed in this Draft Red Herring Prospectus, our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI Regulations, to the extent applicable. Further, in relation to compliance with Regulation 4(2)(e) of the SEBI Regulations, please note that, the Equity Shares of our Company are in dematerialised form.

#### Disclaimer Clause of SEBI

**AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO 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 BOOK RUNNING LEAD MANAGERS, JM FINANCIAL INSTITUTIONAL SERVICES LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED AND ICICI 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, 2009 IN FORCE FOR THE TIME BEING. 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, AND EACH SELLING SHAREHOLDER IS SEVERALLY RESPONSIBLE FOR THE CORRECTNESS OF THE STATEMENTS AND UNDERTAKINGS MADE BY IT IN THE DRAFT RED HERRING PROSPECTUS ABOUT OR IN RELATION TO ITSELF AND THE EQUITY SHARES BEING SOLD BY IT IN THE OFFER, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPECTIVE RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, JM FINANCIAL INSTITUTIONAL SERVICES LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED AND ICICI SECURITIES LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 30, 2015 WHICH READS AS FOLLOWS:**

**WE, THE LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
  - (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**
  - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956 AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE “SEBI REGULATIONS”) AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SECURITIES**

AND EXCHANGE BOARD OF INDIA (“SEBI”) AND THAT TILL DATE SUCH REGISTRATION IS VALID.

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS’ CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. COMPLIED WITH AND NOTED FOR COMPLIANCE
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS’ CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS’ CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS’ CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE ‘MAIN OBJECTS’ LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. NOT APPLICABLE
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE SELLING SHAREHOLDERS AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF

**THE COMPANIES ACT, 2013, THE EQUITY SHARES IN THE OFFER ARE TO BE ISSUED IN DEMATERIALISED FORM ONLY**

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
  - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
  - (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI REGULATIONS WHILE MAKING THE OFFER. - **NOTED FOR COMPLIANCE**
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE OFFER)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – **COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS CERTIFIED BY M CHINNASWAMY JAI VINOTH AND ASSOCIATES, CHARTERED ACCOUNTANTS (FIRM REGISTRATION NUMBER: 014174S) PURSUANT TO ITS CERTIFICATE DATED DECEMBER 29, 2015.**
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO THE LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI REGULATIONS (IF APPLICABLE) – **NOT APPLICABLE**

The filing of this Draft Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Offer. SEBI further reserves the right to take up at any point of time, with BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with Registrar of Companies in terms of Sections 32 and 33 of the Companies Act, 2013, as applicable.

**Caution - Disclaimer from our Company, the Selling Shareholders and BRLMs**

Our Company, the Directors, the Selling Shareholders and BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring 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.thyrocare.com](http://www.thyrocare.com), would be doing so at his or her own risk.

The Selling Shareholders assume responsibility only for the statements and undertakings made by it in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares being sold by it in the Offer, provided however that Selling Shareholders assume no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholder or any expert or any other person in this Draft Red Herring Prospectus.

BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and Underwriting Agreement to be entered into amongst the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders and BRLMs to the public and Bidders 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.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Bidders 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 of our Company and will not issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares of our Company. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Equity Shares of our Company.

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.

## Price information of past issues handled by the BRLMs

### A. JM Financial Institutional Services Limited

#### 1. Price information of past issues handled by JM Financial

| Sr. No. | Issue Name                                            | Issue Size (Rs. Cr.) | Issue Price (Rs.)     | Listing Date      | Opening Price on Listing Date | +/- % change in closing price <sup>(3)</sup> , [+/- % change in closing benchmark] <sup>(4)</sup> - 30 <sup>th</sup> calendar days from listing | +/- % change in closing price <sup>(3)</sup> , [+/- % change in closing benchmark] <sup>(4)</sup> - 90 <sup>th</sup> calendar days from listing | +/- % change in closing price <sup>(3)</sup> , [+/- % change in closing benchmark] <sup>(4)</sup> - 180 <sup>th</sup> calendar days from listing |
|---------|-------------------------------------------------------|----------------------|-----------------------|-------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Initial Public Offer - S H Kelkar and Company Limited | 508.17               | 180                   | November 16, 2015 | 223.70                        | +21.69% [-1.35%]                                                                                                                                | NA                                                                                                                                              | NA                                                                                                                                               |
| 2       | Initial Public Offer - Repco Home Finance Limited     | 270.23               | 172.00 <sup>(2)</sup> | April 1, 2013     | 159.95                        | -0.64% [+3.96%]                                                                                                                                 | +44.24% [+3.41%]                                                                                                                                | +41.19% [+2.26%]                                                                                                                                 |

Notes:

1. Source: Website of NSE for price information and prospectus/ basis of allotment for issue details
2. Discount of Rs. 16 per equity share offered to employees
3. Change in closing price over the issue price
4. Change in closing price over the closing price as on the listing date for benchmark index which is Nifty 50

In case of reporting dates falling on a trading holiday, values for the trading day immediately following the trading holiday have been considered

#### 2. Summary statement of price information of past issues handled by JM Financial

| Financial Year | Total no. of IPOs | Total amount of funds raised (Rs. Cr.) | No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing |                |               | No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing |                |               | No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing |                |               | No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing |                |               |
|----------------|-------------------|----------------------------------------|-------------------------------------------------------------------------------|----------------|---------------|------------------------------------------------------------------------------|----------------|---------------|--------------------------------------------------------------------------------|----------------|---------------|-------------------------------------------------------------------------------|----------------|---------------|
|                |                   |                                        | 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% |
| 2015-2016      | 1                 | 508.17                                 | -                                                                             | -              | -             | -                                                                            | -              | 1             | -                                                                              | -              | -             | -                                                                             | -              | -             |
| 2014-2015      | -                 | -                                      | -                                                                             | -              | -             | -                                                                            | -              | -             | -                                                                              | -              | -             | -                                                                             | -              | -             |
| 2013-2014      | 1                 | 270.23                                 | -                                                                             | -              | 1             | -                                                                            | -              | -             | -                                                                              | -              | -             | -                                                                             | 1              | -             |

Source: [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com)

**B. Edelweiss Financial Services Limited**

1. Price information of past issues handled by Edelweiss

| Sr. No. | Issue Name                              | Issue Size (Rs. Mn.) | Issue Price (Rs.) | Listing Date       | Opening Price on listing date | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---------|-----------------------------------------|----------------------|-------------------|--------------------|-------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| 1       | Alkem Laboratories Limited <sup>@</sup> | 13,466.22            | 1,050.00          | December 23, 2015  | 1,380.00                      | N.A.                                                                                                | N.A.                                                                                                | N.A.                                                                                                 |
| 2       | Coffee Day Enterprises Limited          | 11,500.00            | 328.00            | November 2, 2015   | 317.00                        | -21.42%; [-1.19%]                                                                                   | N.A.                                                                                                | N.A.                                                                                                 |
| 3       | Prabhat Dairy Limited <sup>^</sup>      | 3,561.88             | 115.00            | September 21, 2015 | 113.00                        | 11.78% ; [3.57]                                                                                     | 30.83%, [-1.79%]                                                                                    | N.A.                                                                                                 |
| 4       | Sadhav Infra Projects Limited           | 4,916.57             | 103.00            | September 16, 2015 | 111.00                        | -2.28%, [3.55%]                                                                                     | -5.63%; [-3.15%]                                                                                    | N.A.                                                                                                 |
| 5       | Navkar Corporation Limited              | 6,000.00             | 155.00            | September 9, 2015  | 152.00                        | 0.97%, [3.97%]                                                                                      | 26.00%; [-0.68%]                                                                                    | N.A.                                                                                                 |
| 6       | Inox Wind Limited*                      | 10,205.34            | 325.00            | April 9, 2015      | 400.00                        | 28.54%, [-6.68%]                                                                                    | 42.42%, [-3.05%]                                                                                    | 11.20%, [-7.51%]                                                                                     |
| 7       | Monte Carlo Fashions Limited            | 3,504.30             | 645.00            | December 19, 2014  | 584.00                        | -26.20%, [3.96%]                                                                                    | -23.57%, [5.60%]                                                                                    | -20.88%, [-2.16%]                                                                                    |
| 8       | Sharda Cropchem Limited                 | 3,518.60             | 156.00            | September 23, 2014 | 260.00                        | 61.06%, [-0.27%]                                                                                    | 63.56%, [3.82%]                                                                                     | 91.35%, [6.65%]                                                                                      |
| 9       | Wonderla Holidays Limited               | 1,812.50             | 125.00            | May 9, 2014        | 160.00                        | 72.92%, [11.60%]                                                                                    | 78.96%, [11.86%]                                                                                    | 162.32%, [21.57%]                                                                                    |

Source: www.nseindia.com

<sup>@</sup> Alkem Laboratories Limited - Discount of ₹100 per Equity Share to the Offer Price offered to eligible employees. All calculations are based on Issue Price of ₹1,050.00 per equity share.

\* Inox Wind Ltd - Discount of ₹15 per equity share offered to retail investors and eligible employees. All calculations are based on Issue Price of ₹325.00 per equity share.

<sup>^</sup> Prabhat Dairy Ltd - Discount of ₹5 per equity share offered to retail investors. All calculations are based on Issue Price of ₹115.00 per equity share.

**Notes**

(a). Based on date of listing.

(b). % of change in closing price on 30th/ 90th / 180th 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 30th/ 90th / 180th calendar day from listing day.

(c). 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 next trading day has been considered.

(d). The Nifty 50 index is considered as the Benchmark Index

(e). N.A. – Period not completed



2. Summary statement of price information of past issues handled by Edelweiss

| Financial Year                                                             | Total no. of IPOs | Total amount of funds raised (Rs. Mn.) | No. of IPOs trading at discount - 30th calendar days from listing |                |               | No. of IPOs trading at premium - 30th calendar days from listing |                |               | No. of IPOs trading at discount - 180th calendar days from listing |                |               | No. of IPOs trading at premium - 180th calendar days from listing |                |               |
|----------------------------------------------------------------------------|-------------------|----------------------------------------|-------------------------------------------------------------------|----------------|---------------|------------------------------------------------------------------|----------------|---------------|--------------------------------------------------------------------|----------------|---------------|-------------------------------------------------------------------|----------------|---------------|
|                                                                            |                   |                                        | 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% |
| April 1, 2015 till the date of filing of the Draft Red Herring Prospectus^ | 6                 | 49,650.01                              | -                                                                 | -              | 2             | -                                                                | 1              | 2             | -                                                                  | -              | -             | -                                                                 | -              | 1             |
| 2014-15                                                                    | 3                 | 8,835.40                               | -                                                                 | 1              | -             | 2                                                                | -              | -             | -                                                                  | -              | 1             | 2                                                                 | -              | -             |
| 2013-14                                                                    | -                 | -                                      | -                                                                 | -              | -             | -                                                                | -              | -             | -                                                                  | -              | -             | -                                                                 | -              | -             |

1. Based on date of listing.

2. Wherever 30<sup>th</sup> and 180<sup>th</sup> calendar day from listing day is a holiday, the closing data of the next trading day has been considered.

3. The Nifty 50 index is considered as the Benchmark Index

^ For the current financial year - 30 days period completed for 5 issues and 180 days period completed for 1 issue.

**Note:** In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.

**C. ICICI Securities Limited**

1. Price information of past issues handled by I-Sec

| Sr. No. | Issue Name                             | Issue Size (Rs. Cr.) | Issue Price (Rs.)     | Listing Date       | Opening Price on Listing Date | +/- % 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       | Shemaroo Entertainment Limited         | 120.00               | 170.00 <sup>(1)</sup> | October 1, 2014    | 180.00                        | -5.74%, [+2.81%]                                                                                                | -5.88%, [+3.79%]                                                                                                | +5.85%, [+6.88%]                                                                                                 |
| 2       | Wonderla Holidays Limited              | 181.25               | 125.00                | May 9, 2014        | 160.00                        | +72.92%, [+11.60%]                                                                                              | +78.96%, [+11.86%]                                                                                              | +162.32%, [+21.57%]                                                                                              |
| 3       | VRL Logistics Limited                  | 467.88               | 205.00                | April 30, 2015     | 288.00                        | +50.90%, [+3.08%]                                                                                               | +85.49%, [+1.90%]                                                                                               | +100.90%, [+0.97%]                                                                                               |
| 4       | PNC Infratech Limited                  | 488.44               | 378.00                | May 26, 2015       | 387.00                        | +0.32%, [+0.26%]                                                                                                | +14.66%, [-6.36%]                                                                                               | +42.72%, [-5.88%]                                                                                                |
| 5       | Manpasand Beverages Limited            | 400.00               | 320.00                | July 9, 2015       | 300.00                        | +23.20%, [+2.83%]                                                                                               | +36.53%, [-2.11%]                                                                                               | -                                                                                                                |
| 6       | Sadbhav Infrastructure Project Limited | 491.66               | 103.00                | September 16, 2015 | 111.00                        | -2.28%, [+3.55%]                                                                                                | -5.63%, [-3.15%]                                                                                                | -                                                                                                                |

1) Discount of Rs. 17 per equity share offered to retail investors. All calculations are based on Issue Price of Rs. 170.00 per equity share

**Notes:**

1. All data sourced from [www.nseindia.com](http://www.nseindia.com)
2. Benchmark index considered is NIFTY
3. 30<sup>th</sup>, 90<sup>th</sup>, 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 is a holiday, in which case we have considered the closing data of the next trading day

## 2. Summary statement of price information of past issues handled by I-Sec:

| Financial Year | Total no. of IPOs | Total amount of funds raised (Rs. Cr.) | No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing |                |               | No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing |                |               | No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing |                |               | No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing |                |               |
|----------------|-------------------|----------------------------------------|-------------------------------------------------------------------------------|----------------|---------------|------------------------------------------------------------------------------|----------------|---------------|--------------------------------------------------------------------------------|----------------|---------------|-------------------------------------------------------------------------------|----------------|---------------|
|                |                   |                                        | 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% |
| 2015-16        | 4                 | 1,847.98                               | -                                                                             | -              | 1             | 1                                                                            | -              | 2             | -                                                                              | -              | -             | 1                                                                             | 1              | -             |
| 2014-15        | 2                 | 301.25                                 | -                                                                             | -              | 1             | 1                                                                            | -              | -             | -                                                                              | -              | -             | 1                                                                             | -              | 1             |
| 2013-14        | -                 | -                                      | -                                                                             | -              | -             | -                                                                            | -              | -             | -                                                                              | -              | -             | -                                                                             | -              | -             |

Source: [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com)

**Note:** In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.

### Track record of past issues handled by BRLMs

For details regarding the track record of the BRLMs to the Offer as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please see the websites of the BRLMs, as set forth in the table below:

| Sr. No | Name of the BRLM | Website                 |
|--------|------------------|-------------------------|
| 1.     | JM Financial     | www.jmfl.com            |
| 2.     | Edelweiss        | www.edelweissfin.com    |
| 3.     | I-Sec            | www.icicisecurities.com |

### Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, 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 to FPIs, Eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares offered in the Offer have not been and will not be registered under the Securities Act, and 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 Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.**

### Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the filing with the Registrar of Companies.

### Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the filing with the Registrar of Companies.

### Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A, ‘G’ Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed would be delivered for registration to the Registrar of Companies in accordance with Section 32 of the Companies Act, 2013 and a copy of the Prospectus to be filed under Section 26 of the Companies Act would be delivered for registration with the Registrar of Companies at 100, Everest, Marine Drive, Mumbai 400 002.

### **Listing**

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●], will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders will forthwith repay, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within six Working Days of the Bid/Offer Closing Date. Further, the Selling Shareholders confirm that they shall provide assistance to the Company and the BRLMs, as may be reasonably required and necessary, for the 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.

### **Consents**

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, Statutory Auditors, legal advisors, Banker/Lenders to our Company, experts; and (b) the BRLMs, the Syndicate Members, the Escrow Collection Banks and the Registrar and Share Transfer Agent to the Offer to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the Registrar of Companies as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the Registrar of Companies.

In accordance with the Companies Act, 2013 and the SEBI Regulations, B S R & Co. LLP, Chartered Accountants, our Company's Statutory Auditors, have given their written consent to the inclusion of their examination reports dated December 24, 2015 on the restated standalone financial statements and restated consolidated financial statements included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

### **Experts**

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

Our Company has received written consent from the Statutory Auditor namely, B S R & Co. LLP, Chartered Accountants, to include its name as an expert under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in relation to the examination reports dated December 24, 2015 on the Restated Financial Statements of our Company and of our Subsidiary included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

Our Company has received consent dated December 29, 2015 from M Chinnaswamy Jai Vinoth and Associates, Chartered Accountants, to include a statement of possible special tax benefits available to our Company, including our Subsidiary and our Shareholders. For details, see section entitled "*Statement of Tax Benefits*" on page 96.

### **Offer Related Expenses**

The expenses of this Offer include, among others, underwriting commissions, procurement commissions, if any, and brokerage due to the underwriters and sub-brokers or stock brokers, fees payable to the Self Certified Syndicate Banks, syndicate members, legal advisors and any other agreed fees and commissions payable in

relation to the Offer and listing fees. For further details of Offer related expenses, see section entitled “*Objects of the Offer*” on page 92.

Other than the listing fees which will be borne solely by our Company, all expenses relating to the Offer as mentioned above will be borne by Agalia.

| Activity                                                                                        | Estimated expenses <sup>1</sup><br>(₹in million) | As a % of the total estimated Offer expenses <sup>1</sup> | As a % of the total Offer size <sup>1</sup> |
|-------------------------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------|---------------------------------------------|
| Book Running Lead Manager (including underwriting commission, brokerage and selling commission) | [●]                                              | [●]                                                       | [●]                                         |
| Commission/processing fee for SCSBs <sup>2</sup>                                                | [●]                                              | [●]                                                       | [●]                                         |
| Brokerage and selling commission for Registered Brokers, RTAs and CDPs <sup>3</sup>             | [●]                                              | [●]                                                       | [●]                                         |
| Registrar and Share Transfer Agent to the Offer                                                 | [●]                                              | [●]                                                       | [●]                                         |
| Other advisors to the Offer                                                                     | [●]                                              | [●]                                                       | [●]                                         |
| Bankers to the Offer                                                                            | [●]                                              | [●]                                                       | [●]                                         |
| Others                                                                                          |                                                  |                                                           |                                             |
| - Listing fees                                                                                  | [●]                                              | [●]                                                       | [●]                                         |
| - Printing and stationary expenses                                                              | [●]                                              | [●]                                                       | [●]                                         |
| - Advertising and marketing expenses                                                            | [●]                                              | [●]                                                       | [●]                                         |
| - Miscellaneous                                                                                 | [●]                                              | [●]                                                       | [●]                                         |
| <b>Total estimated Offer expenses</b>                                                           | [●]                                              | [●]                                                       | [●]                                         |

<sup>1</sup> To be completed after finalization of the Offer Price

<sup>2</sup> The SCSBs would be entitled to a processing fees of ₹ [●] per Bid cum Application Form, for processing the Bid cum Application Forms procured by the members of the Syndicate or the Registered Brokers and submitted to the SCSBs.

<sup>3</sup> Registered Brokers, the RTAs and the CDPs will be entitled to a commission of ₹[●] per every valid Bid cum Application Form submitted to them

#### **Fees Payable to Syndicate**

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the engagement letter dated [●].

For details of the Offer expenses, see section entitled “*Objects of the Offer*” on page 92.

#### **Commission payable to SCSBs, Registered Brokers, RTAs and CDPs**

For details of the commission payable to SCBS, Registered Brokers, RTAs and CDPs see section entitled “*Objects of the Offer*” on page 92.

#### **Underwriting commission, brokerage and selling commission on Previous Issues**

Since this is an initial public offering of our Company, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any Equity Shares since inception of our Company.

#### **Particulars regarding Public or Rights Issues by our Company during the last five years**

Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

#### **Previous issues of the Equity Shares otherwise than for cash**

Except as disclosed in the section entitled “*Capital Structure*” on page 73, our Company has not issued any Equity Shares for consideration otherwise than for cash.

**Commission and Brokerage paid on previous issues of the Equity Shares**

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

**Previous capital issue during the previous three years by listed Group Companies and Subsidiary of our Company**

None of the Group Companies and Subsidiary of our Company are listed. Further, except MAPL, SCPL, SIPL, Thyrocare Properties and Thyrocare Publications, none of our Group Companies or Subsidiary have made any public or rights issue of securities in the preceding three years.

**Performance vis-à-vis objects – Public or Rights Issue of our Company or listed Group Companies or both, Subsidiary and associates of our Company**

Our Company has not undertaken any previous public or rights issue. Except as disclosed in the section entitled "*Our Group Companies*" on page 169, none of the Group Companies or the Subsidiary of our Company has undertaken any public or rights issue.

**Outstanding Debentures or Bonds**

Our Company does not have any outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

**Outstanding Preference Shares**

Our Company does not have any outstanding preference shares as on date of this Draft Red Herring Prospectus.

**Stock Market Data of the Equity Shares**

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange.

**Mechanism for Redressal of Investor Grievances**

Bidders may contact the BRLMs for complaints, information or clarifications pertaining to the Offer.

The agreement between the Registrar and Share Transfer Agent to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar and Share Transfer Agent to the Offer for a period of at least three years from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar and Share Transfer Agent to the Offer for redressal of their grievances.

All grievances other than those of Anchor Investors may be addressed to the Registrar and Share Transfer Agent to the Offer with a copy to the relevant Designated Intermediary with 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 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.

Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar and Share Transfer Agent to the Offer, giving full details such as name of the sole or first Bidder, Anchor Investor Application Form number, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor.

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or Registrar and Share Transfer Agent to the Offer or SCSB, 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.

Our Company has also appointed Ramjee Dorai, Company Secretary of our Company, as the Compliance Officer for this Offer and he may be contacted in case of any pre-Offer or post-Offer related concerns at the following address:

D/37-1, TTC Industrial Area  
MIDC Turbhe  
Navi Mumbai 400703  
Tel: (91 22) 2762 2762  
Fax: (91 22) 2768 2409  
E-mail: ramjee.d@thyrocare.com

Our Company has not received any investor complaint during the three years preceding the date of filing of this Draft Red Herring Prospectus.

### **Changes in auditors**

Our Company has not changed its statutory auditors in the last three years, except as follows:

| <b>S. No.</b> | <b>Name of the statutory auditor</b>   | <b>Date of Change</b> | <b>Reason</b> |
|---------------|----------------------------------------|-----------------------|---------------|
| 1.            | B S R & Co. LLP, Chartered Accountants | September 26, 2015    | Appointment   |
| 2.            | B S R and Co, Chartered Accountants    | June 22, 2015         | Resignation   |

### **Capitalisation of Reserves or Profits**

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in the section entitled “*Capital Structure*” on page 71.

### **Revaluation of Assets**

Our Company has not re-valued its assets in the last five years.

## SECTION VII: OFFER INFORMATION

### TERMS OF THE OFFER

The Equity Shares being offered pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/ certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government, Stock Exchanges, Registrar of Companies, RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable, or such other conditions as may be prescribed by SEBI, RBI, the Government of India, the Stock Exchanges, the Registrar of Companies and/or any other authorities while granting its approval for the Offer.

#### Offer for Sale

The Offer comprises an Offer for Sale by the Selling Shareholders. All expenses in relation to the Offer other than listing fees (which will be borne by our Company) shall be paid by Agalia in proportion to the Equity Shares contributed to the Offer in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of Agalia, and Agalia agrees that it will reimburse our Company all such expenses.

#### Ranking of the Equity Shares

The Equity Shares being offered pursuant to the Offer shall be subject to the provisions of Companies Act and Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. Allottees in receipt of Allotment of the Equity Shares under this Offer will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see section entitled “*Main Provisions of the Articles of Association*” on page 430.

#### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to its shareholders in accordance with the provisions of Companies Act, Memorandum and Articles of Association and provisions of the Listing Regulations. For further details in relation to dividends, see sections entitled “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 175 and 430, respectively.

#### Face Value and Offer Price

The face value of the Equity Shares is ₹ 10 each and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Allocation Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with BRLMs and advertised in all editions of the English national newspaper Financial Express, all editions of the Hindi national newspaper Jansatta, and the Mumbai edition of the Marathi newspaper Navshakti, each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be prefilled in the Bid cum Application Form available at the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination for the Equity Shares.

#### Compliance with the disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:



- right to receive dividends, if declared;
- right to attend general meetings and exercise voting powers, unless prohibited by law or due to an order/judgement of a court, tribunal or regulatory/judicial/statutory authority;
- right to vote on a poll either in person or by proxy;
- right to receive offers for rights shares and be allotted bonus shares, if announced;
- right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- right of free transferability subject to applicable law, including any RBI rules and regulations; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the Listing Regulations and our Company's Memorandum and Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, see section entitled "*Main Provisions of the Articles of Association*" on page 430.

### **Market Lot and Trading Lot**

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Offer:

1. Tripartite agreement dated May 19, 2006 between our Company, NSDL and the Registrar and Share Transfer Agent to the Offer.
2. Tripartite agreement dated August 18, 2006 between our Company, CDSL and the Registrar and Share Transfer Agent to the Offer.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

### **Joint Holders**

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities in Mumbai.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she 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 /alienation of the Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the prescribed manner. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, shall upon the production of such evidence as may be required by the 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, the 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 ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of the Equity Shares in the Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective depository participant.

### Withdrawal of the Offer

Our Company in consultation with the Selling Shareholders and the BRLMs, reserve the right not to proceed with the Offer after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the 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. The BRLMs, through the Registrar and Share Transfer Agent to the Offer, shall notify the SCSBs to unblock the ASBA Accounts (other than Anchor Investors) within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared.

If our Company in consultation with the Selling Shareholders withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with 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 within six Working Days of the Bid/Offer Closing Date, and the final RoC approval of the Prospectus after it is filed with the RoC.

### The period of operation of subscription list of the Offer

|                             |                    |
|-----------------------------|--------------------|
| <b>BID/OFFER OPENS ON:</b>  | [●] <sup>(1)</sup> |
| <b>BID/OFFER CLOSES ON:</b> | [●] <sup>(2)</sup> |

(1) Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

(2) Our Company and the Selling Shareholders may, in consultation with BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI Regulations.

An indicative timetable in respect of the Offer is set out below:

| Event                                                                 | Indicative Date |
|-----------------------------------------------------------------------|-----------------|
| Bid/Offer Closing Date                                                | [●]             |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | On or about [●] |
| Initiation of refunds                                                 | On or about [●] |
| Credit of Equity Shares to demat accounts of Allottees                | On or about [●] |
| Commencement of trading of the Equity Shares on the Stock Exchanges   | On or about [●] |

**The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs.**

**Whilst 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, the timetable may change due to various factors, such as**

**extension of the Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delay 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 severally, and not jointly, undertake to provide such reasonable support and extend reasonable cooperation as may be requested by our Company, to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within six Working Days from the Bid/Offer Closing Date.**

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 the Bid/Offer Closing Date) at the Bidding Centres.

On the Bid/Offer Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. IST and shall be uploaded until (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders 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.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. IST on the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only between Monday to Friday (excluding any public holiday). None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical or electronic Bid cum Application Form, for a particular Bidder, the Registrar and Share Transfer Agent to the Offer shall ask for rectified data.

Our Company and the Selling Shareholders in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and the terminals of the other members of the Syndicate.**

### **Minimum Subscription**

The requirement of minimum subscription is not applicable to the Offer in accordance with the SEBI Regulations. However, if our Company does not make the minimum Allotment for at least such percentage of the post-Offer Equity Share capital of our Company that will be at least ₹ 4,000 million calculated at the Offer Price, in terms of Rule 19(2)(b)(ii) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/Offer Closing Date, our Company and the Selling Shareholders shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company and the Selling Shareholders shall pay interest prescribed under the applicable law.

Further, our Company and the Selling Shareholders shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 26(4) of the SEBI Regulations.

#### **Arrangements for Disposal of Odd Lots**

There are no arrangements for disposal of odd lots.

#### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Offer capital of our Company, Promoters' minimum contribution and the Anchor Investor lock-in as provided in section entitled "*Capital Structure*" on page 71 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details see section entitled "*Main Provisions of the Articles of Association*" on page 430.

#### **Option to Receive Securities in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, the Equity Shares in the Offer shall be allotted only in dematerialised form. Further, as per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

## OFFER STRUCTURE

Public offer of 10,744,708 Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per Equity Share (including securities premium of ₹ [●] per Equity Share) through an Offer for Sale by Selling Shareholders aggregating up to ₹ [●] million. The Offer will constitute up to 20% of the post-Offer paid-up equity share capital of our Company.

The Offer is being made through the Book Building Process.

|                                                                                 | QIBs <sup>(1)</sup>                                                                                                                                                                                                                                                                                                                            | Non-Institutional Bidders                                       | Retail Individual Bidders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of the Equity Shares available for Allotment/ allocation* <sup>(2)</sup> | Not more than 5,372,353 Equity Shares                                                                                                                                                                                                                                                                                                          | Not less than 1,611,707 Equity Shares available for allocation. | Not less than 3,760,648 Equity Shares available for allocation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Percentage of Offer Size available for Allotment/allocation                     | Not more than 50% of the Offer                                                                                                                                                                                                                                                                                                                 | Not less than 15% of the Offer.                                 | Not less than 35% of the Offer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Basis of Allotment/Allocation if respective category is oversubscribed          | <p>Proportionate as follows (excluding the Anchor Investor Portion):</p> <p>(a) 107,448 Equity Shares shall be allocated on a proportionate basis to Mutual Funds only;</p> <p>and</p> <p>(b) 2,041,494 Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.</p> | Proportionate                                                   | <p>In the event, the Bids received from Retail Individual Bidders exceeds 3,760,648 Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of the Equity Shares available for allocation/Allotment to Retail Individual Bidders by the minimum Bid Lot (“<b>Maximum RIB Allottees</b>”). The allocation/Allotment to Retail Individual Bidders will then be made in the following manner:</p> <ul style="list-style-type: none"> <li>In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) Retail Individual Bidders shall be allocated / Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be allocated/ Allotted on a proportionate basis to the Retail Individual Bidders who have received allocation/Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).</li> <li>In the event the number of</li> </ul> |

|                                | <b>QIBs<sup>(1)</sup></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Non-Institutional Bidders</b>                                                                                                                                                              | <b>Retail Individual Bidders</b>                                                                                                                                                                                                                                                                                                         |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                               | <p>Retail Individual Bidders who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined on draw of lots basis.</p> <p>For details see section entitled, “Offer Procedure” on page 382.</p> |
| Minimum Bid                    | Such number of the Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.                                                                                                                                                                                                                                                                                                                                                                             | Such number of the Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.                                                                      | [●] Equity Shares and in multiples of [●] Equity Shares thereafter.                                                                                                                                                                                                                                                                      |
| Maximum Bid                    | Such number of the Equity Shares not exceeding the Offer, subject to applicable limits.                                                                                                                                                                                                                                                                                                                                                                                                              | Such number of the Equity Shares not exceeding the Offer, subject to applicable limits.                                                                                                       | Such number of the Equity Shares, whereby the Bid Amount does not exceed ₹ 200,000.                                                                                                                                                                                                                                                      |
| Bid Lot                        | [●] Equity Shares and in multiples of [●] Equity Shares thereafter.                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                          |
| Allotment Lot                  | [●] Equity Shares and in multiples of one Equity Share thereafter                                                                                                                                                                                                                                                                                                                                                                                                                                    | [●] Equity Shares and in multiples of one Equity Share thereafter                                                                                                                             | [●] Equity Shares and in multiples of one Equity Share thereafter                                                                                                                                                                                                                                                                        |
| Trading Lot                    | One Equity Share                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | One Equity Share                                                                                                                                                                              | One Equity Share                                                                                                                                                                                                                                                                                                                         |
| Who can Apply <sup>(3)</sup> – | Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FPIs other than Category III foreign portfolio investors, VCFs, FVCIs, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ | Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III foreign portfolio investors. | Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta).                                                                                                                                                                                                                                                              |

|                  | <b>QIBs<sup>(1)</sup></b>                                                                                                                                                                                                                                                    | <b>Non-Institutional Bidders</b> | <b>Retail Individual Bidders</b> |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
|                  | 250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India. |                                  |                                  |
| Terms of Payment | Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the Bid cum Application Form at the time of submission of the Bid cum Application Form. <sup>(4)</sup>                                                             |                                  |                                  |

\* Assuming full subscription in the Offer

- (1) *Our Company and Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see section entitled “Offer Structure” on page 379.*
- (2) *Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b)(ii) of the SCRR and under Regulation 26(1) of the SEBI Regulations. This Offer will be made through the Book Building Process wherein not more than 50% of the Offer will be Allotted on a proportionate basis to QIBs, provided that our Company and Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the QIB Category (excluding the Anchor Investor Portion), shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 15% of the Offer will be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price.*
- (3) *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. 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.*
- (4) *Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms. For details of terms of payment applicable to Anchor Investors, please see section entitled “Section 7: Allotment Procedure and Basis of Allotment” on page 416.*

Under subscription, if any, in any category, except in the QIB Portion, would be met with spill-over from other categories at the discretion of our Company and the Selling Shareholders in consultation with BRLMs and the Designated Stock Exchange.

## OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the “General Information Document”) included below under “Part B – 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 Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also 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.*

*Our Company, the Selling Shareholders, and the BRLMs 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 Draft Red Herring 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 the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.*

### PART A

#### Book Building Procedure

The Offer is being made through the Book Building Process wherein not more than 50% of the Offer shall be allocated to QIBs on a proportionate basis, provided that our Company and Selling Shareholders, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be 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 QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be allocated on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be allocated to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company in consultation with the Selling Shareholders and the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

#### Bid cum Application Form

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLMs, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BRLMs, SCSBs, the NSE ([www.nseindia.com](http://www.nseindia.com)), the BSE ([www.bseindia.com](http://www.bseindia.com)), the terminals of the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum



Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

Copies of the Anchor Investor Application Form and the abridged prospectus will be available at the office of the BRLMs.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

| Category                                                                                                                                                                     | Colour of Bid cum Application Form * |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis                                                                                                      | White                                |
| Non-Residents including Eligible NRIs, FIIs, FPI or FVCIs or FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis | Blue                                 |
| Anchor Investors**                                                                                                                                                           | White                                |

\* *Excluding electronic Bid cum Application Form*

\*\* *Anchor Investor Application Form will be made available at the office of the BRLMs*

Designated Intermediaries shall submit Bid cum Application Forms to SCSBs and shall not submit it to any non-SCSB bank or any Escrow Bank.

### **Who can Bid?**

In addition to the category of Bidders set forth under section entitled “*General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Offer*” on page 395, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares; and
- Any other persons eligible to Bid in this Offer under the laws, rules, regulations, guidelines and policies applicable to them.

### **Participation by associates and affiliates of the BRLMs and the Syndicate Members**

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Category 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 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.

The BRLMs and any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs) or the Promoters and Promoter Group cannot apply in the Offer under the Anchor Investor Portion.

### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders 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 can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.**

**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 schemes. 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**

NRIs may obtain copies of Bid cum Application Form from the offices of the the BRLMs and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

### **Bids by FPIs and FIIs**

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio Bidders namely ‘foreign institutional investors’ and ‘qualified foreign investors’ will be subsumed under a new category namely ‘foreign portfolio investors’ or ‘FPIs’. RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies. In terms of the SEBI FPI Regulations, an FII which holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in the Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

The existing individual and aggregate investment limits for an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III Foreign Portfolio Investors and unregulated broad based funds, which are classified as Category II Foreign Portfolio Investors by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only if (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by, or on behalf of, it to any persons that are not regulated by an appropriate foreign regulatory authority.

### **Bids by SEBI registered VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs 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 or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.**

### **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 in consultation with the Selling Shareholders reserves 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 are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the Selling Shareholders reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Circular dated July 1, 2015 – Para-banking Activities, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. 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 applications.

### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Selling Shareholders reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 as amended are broadly set forth below:

- (a) equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

### **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 a 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 in consultation with the Investors Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs (including FIIs), Mutual Funds, insurance companies, 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 law) 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 in consultation with the Selling Shareholders reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the Selling Shareholders and 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 in consultation with the Selling Shareholders and the BRLMs may deem fit.

### **Bids by Anchor Investors**

For details in relation to Bids by Anchor Investors, see the section entitled “*Offer Procedure – Part B – General Information Document for Investing in Public Issues*” on page 392.

**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 Draft Red Herring Prospectus. 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 law or regulation or as specified in this Draft Red Herring Prospectus.**

## **General Instructions**

### ***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. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre, the Escrow Collection Banks (assuming that such bank is not a SCSB) or to our Company or the Selling Shareholders;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
8. 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;
9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
10. 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 the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
11. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. 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, and (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, 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;
13. Ensure that the Demographic Details are updated, true and correct in all respects;
14. 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;

15. Ensure that the category and the investor status is indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
18. Bidders should note that in case the DP ID, 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, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
19. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
20. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
21. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB 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;
22. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
23. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***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 pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank, our Company or the Selling Shareholders;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the 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;
11. Do not submit the General Index Register number instead of the PAN;

12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. 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;
14. 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;
15. 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);
16. Do not submit more than five Bid cum Application Forms per ASBA Account;
17. Anchor Investors should not bid through the ASBA process.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Payment instructions**

All Bidders (other than Anchor Investors) are required to use the ASBA facility to make payment. Anchor Investors making payment through cheques are requested to use CTS cheques and that Anchor Investor Application Forms accompanied by non-CTS cheques are liable to be rejected.

### **Payment into Escrow Account for Anchor Investors**

Our Company in consultation with the BRLMs, in its absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice 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. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

**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 Escrow Collection Banks and the Registrar and Share Transfer Agent to the Offer to facilitate collections from the Anchor Investors.**

### **Pre- Offer Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI Regulations, in: (i) all editions of the English national newspaper Financial Express; (ii) all editions of the Hindi national newspaper Jansatta, and (iii) the Mumbai edition of the Marathi newspaper, Navshakti, each with wide circulation. In the pre-Offer advertisement, we shall state the Bid Opening Date, the Bid Closing Date and the QIB Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

### **Signing of the Underwriting Agreement and the RoC Filing**

- (a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the ‘Prospectus’. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

## Impersonation

Attention of the applicants 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 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

## Undertakings by our Company

Our Company undertakes the following:

- if our Company or the Selling Shareholders do not proceed with the Offer after the Bid/Offer Closing Date the reason thereof shall be given as a public notice to be issued by our Company 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;
- if our Company and the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with the RoC/SEBI, in the event our Company and/or the Selling Shareholders subsequently decides to proceed with the Offer;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps 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 are taken within six Working Days of the Bid/Offer Closing Date;
- the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar and Share Transfer Agent to the Offer by our Company;
- Allotment will be made or the application money will be refunded within six Working Days from the Bid/Offer Closing Date or such lesser time as specified by SEBI or the application money will be refunded to the Bidders forthwith, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;
- where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Bid/Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- the certificates of the securities/refund orders to Eligible NRIs shall be despatched within specified time;
- no further Offer of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription, etc.; and
- adequate arrangements shall be made to collect all Bid cum Application Forms by Bidders.



## **Undertakings by the Selling Shareholders**

The Selling Shareholders undertake severally and not jointly that:

- they shall deposit their Equity Shares in an escrow account opened with the Registrar and Share Transfer Agent to the Offer at least one Working Day prior to the date of the Red Herring Prospectus or as disclosed in the Red Herring Prospectus;
- they shall sign, and cause their authorized signatories (by way of powers of attorney or otherwise) to sign the offer documents and agreements in relation to the Offer, and confirm that their duly authorised signatories who have signed a declaration, that the statements made by them in the offer documents about or in relation to them as well as any Offer related materials are true and correct as of the date of this Draft Red Herring Prospectus and as will be included in the Red Herring Prospectus and Prospectus, or such Offer related material, as the case may be;
- subject to the Offer Agreement, they shall not offer, lend, pledge, encumber, sell, contract to sell or otherwise transfer or dispose off, directly or indirectly, any of the Equity Shares held by them;
- they shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchanges;
- they shall ensure that they shall make available the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed in the Offer Documents;
- they shall take all steps and provide all assistance to the Company and the BRLMs, as may be required and necessary by the Selling Shareholders, for the 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 from the Bid/Offer Closing Date of the Offer, failing which they shall forthwith repay without interest all monies received from Bidders to the extent of the Investor Offered Shares. In case of delay, interest as per applicable law shall be paid by them to the extent of the Investor Offered Shares;
- they shall disclose and furnish to the BRLMs all information relating to any pending litigation, arbitration, complaint or notice that may affect the ownership or title to the Equity Shares or their ability to offer the Equity Shares in the Offer for Sale;
- they shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, any of the Equity Shares held by them except the Equity Shares being offered by them in the Offer for Sale until such time that the lock-in remains effective save and except as may be permitted under the SEBI Regulations;
- they shall ensure that the Equity Shares being offered by them in the Offer for Sale, shall be transferred to the successful Bidders within the time specified under applicable law; and
- they shall give appropriate instructions for dispatch of the refund orders or Allotment Advice to successful Bidders within the time specified under applicable law.

## **Utilisation of Offer Proceeds**

The Selling Shareholders along with our Company declare that all monies received out of the Offer for Sale 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, 2013.

## PART B

### General Information Document for Investing in Public Issues

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.*

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations, 2009**”).

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus (“**RHP**”)/Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Offer and on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see “*Glossary and Abbreviations*”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

##### 2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

##### 2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

## 2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

## 2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Offer (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

## 2.5 ISSUE PERIOD

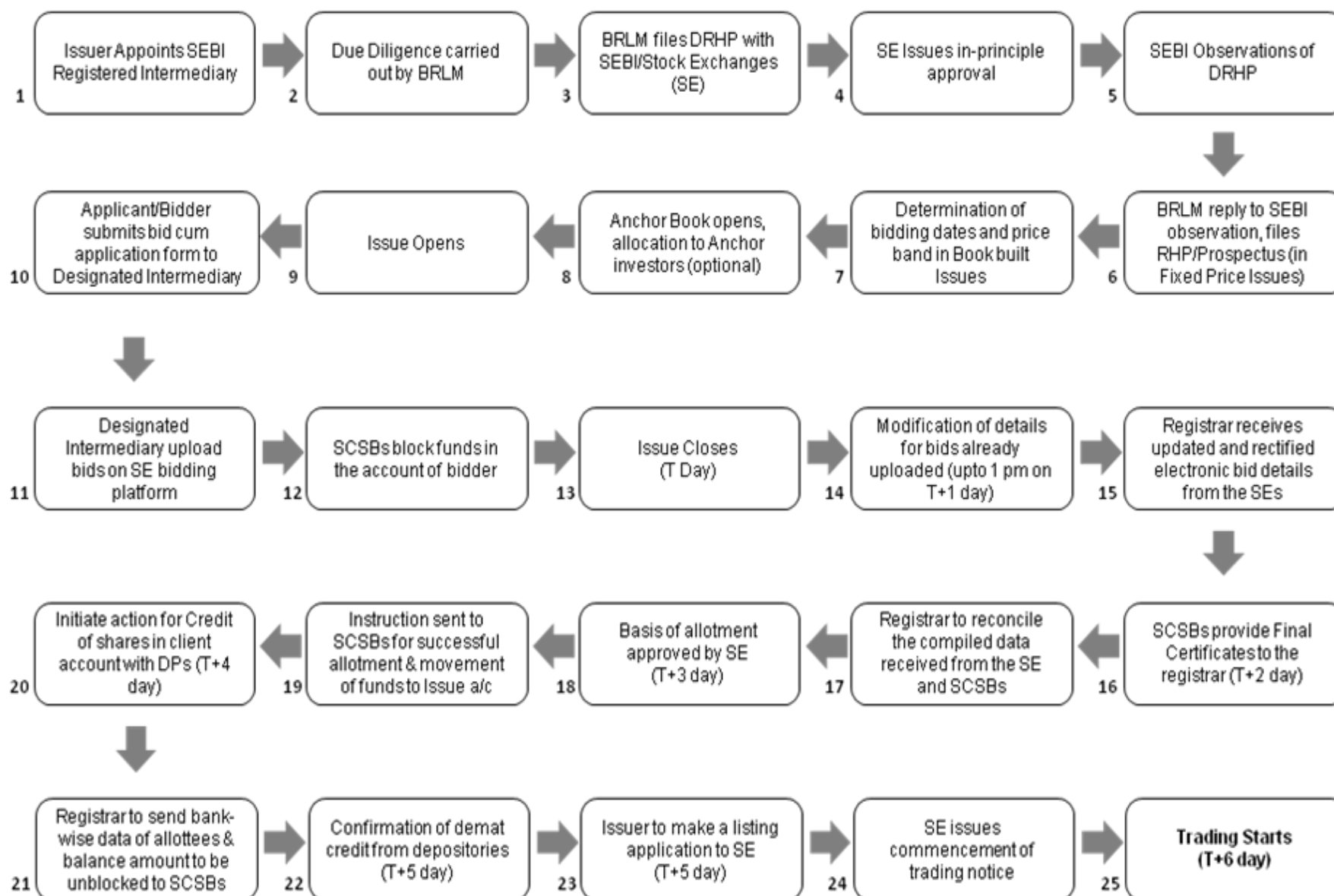
The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

## 2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Offer other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
  - i. Step 7 : Determination of Offer Date and Price
  - ii. Step 10: Applicant submits Bid cum Application Form with Designated Branch of SCSB.



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

**Each Bidder/Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non Institutional Investors (“**NIIs**”) category;
- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

### SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the book running lead managers, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

**Fixed Price Issue:** Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

| Category                                                                                                                                                                  | Color of the Bid cum Application Form |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Resident Indian, Eligible NRIs applying on a non repatriation basis                                                                                                       | White                                 |
| NRIs, FVCIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB) FPIs, on a repatriation basis | Blue                                  |
| Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category                                                                        | As specified by the Issuer            |

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

#### **4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM**

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

### **Application Form – For Residents**

Kindly note that this will be included prior to filing of the RHP.

**Application Form – For Non - Residents**

Kindly note that this will be included prior to filing of the RHP.



#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/Applicants 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:*

- (d) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (e) 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*
- (f) 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 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT

- (a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central

or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim (“PAN Exempted Bidders/Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- (c) The exemption for the PAN Exempted Bidders/Applicants 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.
- (d) Bid cum Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

#### 4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Offer.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants’ sole risk.

#### 4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at

the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- (e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

#### 4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000.
- (b) In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.
- (c) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut-off Price.
- (e) RII may revise or withdraw their bids until Bid/Offer Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- (f) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.
- (h) A Bid cannot be submitted for more than the Offer size.
- (i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

- (j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

#### 4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:
  - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
  - i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Offer portion in public category.
  - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
  - iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
  - iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

#### 4.1.5 FIELD NUMBER 5 : CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, NIIs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.

- (d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD NUMBER 7: PAYMENT DETAILS**

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorisation provided in the Bid cum Application Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bidders who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.
- (c) All Bidders (except Anchor Investors) can participate in the Offer only through the ASBA mechanism.
- (d) Bid Amount cannot be paid in cash, through money order or through postal order.

##### **4.1.7.1 Instructions for Anchor Investors:**

- (a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- (b) Payments should be made either by RTGS, NEFT or cheque/ demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Anchor Investor Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (c) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- (d) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

- (e) Anchor Investors are advised to provide the number of the Anchor Investor Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

#### 4.1.7.2 Payment instructions for Bidders (other than Anchor Investors)

- (a) Bidders may submit the Bid cum Application Form either
  - i. in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
  - ii. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - iii. in physical mode to any Designated Intermediary.
- (b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) **Bidders bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Bidders should also note that Bid cum Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) **Bidders bidding through a Registered Broker, RTA or CDP** should note that Bid cum Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Bid cum Application Forms.
- (h) Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.

- (l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.7.2.1 Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.

#### **4.1.7.3 Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Offer may block an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### **4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder/ Applicant is required to sign the Bid cum Application Form/ Application Form. Bidders/ Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.
- (c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

#### **4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Bid cum Application Form.
- (b) All communications in connection with Bids/Applications made in the Offer should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Sshares, refund orders, the Bidders/Applicants should contact the Registrar to the Offer.
  - ii. In case of Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
  - iii. In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders/Applicants should contact the relevant Syndicate Member.
  - iv. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker
  - v. In case of Bids submitted to the RTA, the Bidders/Applicants should contact the relevant RTA.
  - vi. In case of Bids submitted to the DP, the Bidders/Applicants should contact the relevant DP.
  - vii. Bidder/Applicant may contact our Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Offer.
- (c) The following details (as applicable) should be quoted while making any queries -
  - i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;
  - ii. name and address of the Designated Intermediary, where the Bid was submitted; or
  - iii. In case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.
  - iv. In case of Anchor Investor bids cheque or draft number and the name of the issuing bank thereof.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise their bids or withdraw their Bids till the Bid/Offer Close Date.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.



- (d) The Bidder/Applicant can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

Kindly note that the revision form will be included prior to filing of the RHP.

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

**4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

**4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

**4.2.3 FIELD 6: PAYMENT DETAILS**

- (a) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be

calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

- (b) Bidder/Applicant may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- (d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

#### 4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### 4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

##### 4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

##### 4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Offer (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Offer size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
  - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Offer portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
  - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### 4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

#### 4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### 4.3.5 **FIELD 7: PAYMENT DETAILS**

- (a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue
- (b) Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest.

##### 4.3.5.1 **Payment instructions for Applicants**

- (a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- (b) Applicants must specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money

order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### **4.3.5.2 Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Offer may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Offer Closing Date.

#### 4.3.5.3 **Discount** (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Offer, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Application Amount less Discount (if applicable).

#### 4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

#### 4.4 **SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM/APPLICATION FORM**

##### 4.4.1 **Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-**

| <b>Mode of Application</b>                     | <b>Submission of Bid cum Application Form</b>                                                                                                                                                                                                                                    |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Anchor Investors Application Form              | 1) To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form                                                                                                                                                                        |
| All Applications (other than Anchor Investors) | (a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location<br><br>(b) To the Designated Branches of the SCSBs where the ASBA Account is maintained |

- (a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.
- (b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

### **SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

#### **5.1 SUBMISSION OF BIDS**

- (a) During the Bid/Offer Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.

- (b) In case of Bidders/Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- (c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

## **5.2 ELECTRONIC REGISTRATION OF BIDS**

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

## **5.3 BUILD UP OF THE BOOK**

- (a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

## **5.4 WITHDRAWAL OF BIDS**

- (a) RIIs can withdraw their Bids until Bid/Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

## **5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
  - i. the Bids accepted by the Designated Intermediaries,
  - ii. the Bids uploaded by the Designated Intermediaries, and
  - iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

#### 5.5.1 **GROUND FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications by OCBs; and
- (c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Bid cum application form/Application Form;
- (e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids/Applications by persons in the United States excluding persons who are a U.S. QIB (as defined in this Draft Red Herring Prospectus);
- (g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (h) PAN not mentioned in the Bid cum Application Form/Application Form, except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (k) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;
- (l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (m) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

- (o) Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account;
- (p) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (q) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (r) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (s) Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (t) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (u) Where no confirmation is received from SCSB for blocking of funds;
- (v) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- (w) Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;
- (x) Bids/Applications not uploaded on the terminals of the Stock Exchanges; and
- (y) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

## 5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.
- (b) Under-subscription in any category (except QIB Category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- (c) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

*Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors.*

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders,



details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| Bid Quantity | Bid Amount (₹) | Cumulative Quantity | Subscription |
|--------------|----------------|---------------------|--------------|
| 500          | 24             | 500                 | 16.67%       |
| 1,000        | 23             | 1,500               | 50.00%       |
| 1,500        | 22             | 3,000               | 100.00%      |
| 2,000        | 21             | 5,000               | 166.67%      |
| 2,500        | 20             | 7,500               | 250.00%      |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

## **SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer.** As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

## SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### 7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("**Maximum RII Allottees**"). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

### 7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

### 7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;
- (b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB

Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

#### 7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer in consultation with the Investor Selling Shareholder and the BRLMs, subject to compliance with the following requirements:
  - i. not more than 60% of the QIB Category will be allocated to Anchor Investors;
  - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to ₹10 crores;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹10 crores and up to ₹250 crores subject to minimum Allotment of ₹5 crores per such Anchor Investor; and
    - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹250 crores, and an additional 10 Anchor Investors for every additional ₹250 crores or part thereof, subject to minimum Allotment of ₹5 crores per such Anchor Investor.
- (b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (c) **In the event that the Offer Price is higher than the Anchor Investor Offer Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (d) **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### 7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that

category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

## 7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Offer. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Offer Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five Working Days from the Bid/Issue Close Date.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may give instructions for credit to Equity Shares the beneficiary account with CDPs, and dispatch the Allotment Advice within six Working Days of the Bid/Offer Closing Date.

### **8.2 GROUNDS FOR REFUND**

#### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹5 lakhs but which may extend to ₹50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

#### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

#### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

#### **8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING**

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

### 8.3 MODE OF REFUND

- (a) **In case of Bids/Applications (other than Anchor Investors):** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- (b) **In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- (c) In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories, the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

#### 8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- (a) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (b) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (c) **RTGS**—Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers, etc. Anchor Investors may refer to RHP/Prospectus.

### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Offer Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

| Term                                                               | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Allotment/Allot/Allotted                                           | The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants                                                                                                                                                                                                                                                                                                                                                                                                            |
| Allotment Advice                                                   | Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges                                                                                                                                                                                                                                                                                                   |
| Allottee                                                           | An Bidder/Applicant to whom the Equity Shares are Allotted                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Anchor Investor                                                    | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Red Herring Prospectus.                                                                                                                                                                                                                                                                                                         |
| Anchor Investor Application Form                                   | The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus                                                                                                                                                                                                                                                                                              |
| Anchor Investor Portion                                            | Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors                                                                                                                     |
| Application Form                                                   | The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue                                                                                                                                                                                                                                                                                                                                     |
| Application Supported by Blocked Amount /ASBA                      | An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB                                                                                                                                                                                                                                                                   |
| ASBA Account                                                       | Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant                                                                                                                                                                                                                                                                                                                                                                        |
| Banker(s) to the Offer/Escrow Collection Bank(s)/Collecting Banker | The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer                                                                                                                                                                                                                                                       |
| Basis of Allotment                                                 | The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer                                                                                                                                                                                                                                                                                                                                                                                            |
| Bid                                                                | An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application |

| <b>Term</b>                                                   | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bid Amount                                                    | The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount                                                                                                                                                                                       |
| Bid/Offer Closing Date                                        | Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Closing Date                                                                                                       |
| Bid/Offer Opening Date                                        | The date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Opening Date                                                                                                                                                        |
| Bid/Offer Period                                              | Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Period |
| Bid cum Application Form                                      | An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus                                                                                                                                                                                                                                                                                                               |
| Bidder/Applicant                                              | Any prospective investor who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant                                                                                                                                                                                                                                                                              |
| Book Built Process/Book Building Process/Book Building Method | The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Broker Centres                                                | Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.                                                                                                                                                                                                                                                 |
| BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM          | The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM                                                                                                                                                                                                                                                         |
| Business Day                                                  | Monday to Saturday (except 2 <sup>nd</sup> and 4 <sup>th</sup> Saturday of a month and public holidays)                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| CAN/Confirmation of Allotment Note                            | The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange                                                                                                                                                                                                                                                                                                                                                    |



| <b>Term</b>                                 | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cap Price                                   | The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted                                                                                                                                                                                                                                                                                                                                                                           |
| Client ID                                   | Client Identification Number maintained with one of the Depositories in relation to demat account                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Collecting Depository Participant or CDPs   | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI                                                                                                                                                                                                                                                                                |
| Cut-off Price                               | Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price                                                                                                                                                                                                             |
| DP                                          | Depository Participant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| DP ID                                       | Depository Participant's Identification Number                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Depositories                                | National Securities Depository Limited and Central Depository Services (India) Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Demographic Details                         | Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details                                                                                                                                                                                                                                                                                                                                                                 |
| Designated Branches                         | Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>                                                                                                                                                                                                               |
| Designated CDP Locations                    | Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants.<br><br>The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application 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> )                                          |
| Designated Date                             | The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale |
| Designated Intermediaries /Collecting Agent | Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Offer                                                                                                                                                                                                                                                                                                                                       |

| Term                                                     | Description                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Designated RTA Locations                                 | Such locations of the RTAs where Bidders can submit the Bid cum Application Forms to RTAs.<br><br>The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)                           |
| Designated Stock Exchange                                | The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer                                                                                                                                                                                                                                                                                                  |
| Discount                                                 | Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.                                                                                                                                                                                                                                                      |
| Draft Prospectus                                         | The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band                                                                                                                                                                                                                                                                |
| Employees                                                | Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus                                               |
| Equity Shares                                            | Equity Shares of the Issuer                                                                                                                                                                                                                                                                                                                                                     |
| Escrow Account                                           | Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may issue cheques or demand drafts or transfer money through NEFT or RTGS in respect of the Bid Amount when submitting a Bid                                                                                                                                                         |
| Escrow Agreement                                         | Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof |
| Escrow Collection Bank(s)                                | Refer to definition of Banker(s) to the Offer                                                                                                                                                                                                                                                                                                                                   |
| FCNR Account                                             | Foreign Currency Non-Resident Account                                                                                                                                                                                                                                                                                                                                           |
| First Bidder/Applicant                                   | The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form                                                                                                                                                                                                                                                                                  |
| FII(s)                                                   | Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India                                                                                                                                                                                                           |
| Fixed Price Issue/Fixed Price Process/Fixed Price Method | The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made                                                                                                                                                                                                                                                                |
| Floor Price                                              | The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto                                                                                                                                                                                |
| FPIs                                                     | Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014                                                                                                                                                                                                                                         |
| FPO                                                      | Further public offering                                                                                                                                                                                                                                                                                                                                                         |

| Term                                       | Description                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Foreign Venture Capital Investors or FVCIs | Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000                                                                                                                                                                                                                                                                           |
| IPO                                        | Initial public offering                                                                                                                                                                                                                                                                                                                                                                                              |
| Issuer/Company                             | The Issuer proposing the initial public offering/further public offering as applicable                                                                                                                                                                                                                                                                                                                               |
| Maximum RII Allottees                      | The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.                                                                                                                                                                                                                           |
| MICR                                       | Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf                                                                                                                                                                                                                                                                                                                                   |
| Mutual Fund                                | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996                                                                                                                                                                                                                                                                                                                                   |
| Mutual Funds Portion                       | 5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form                                                                                                                                                                                                     |
| NEFT                                       | National Electronic Fund Transfer                                                                                                                                                                                                                                                                                                                                                                                    |
| NRE Account                                | Non-Resident External Account                                                                                                                                                                                                                                                                                                                                                                                        |
| NRI                                        | NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares                                                                                                                                                                                |
| NRO Account                                | Non-Resident Ordinary Account                                                                                                                                                                                                                                                                                                                                                                                        |
| Net Offer                                  | The Offer less reservation portion                                                                                                                                                                                                                                                                                                                                                                                   |
| Non-Institutional Investors or NIIs        | All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)                                                                      |
| Non-Institutional Category                 | The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form                                                                                                                                                                                                                        |
| Non-Resident                               | A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI                                                                                                                                                                                                                                                                                               |
| 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 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 FEMA |
| Offer                                      | Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable                                                                                                                                                                                                                                                                                                                               |
| Offer for Sale                             | Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder                                                                                                                                                                                                                                                                                 |

| <b>Term</b>                                  | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Other Investors                              | Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for                                                                                                                                                                                                                                                                                                                   |
| Offer Price                                  | The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price. The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)                                                                                                                                                                                                                                             |
| PAN                                          | Permanent Account Number allotted under the Income Tax Act, 1961                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Price Band                                   | Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation |
| Pricing Date                                 | The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Prospectus                                   | The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information                                                                                                                                                                                                                                                                                                                                                                                            |
| Public Issue Account                         | An account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| QIB Category                                 | The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Qualified Institutional Buyers or QIBs       | As defined under SEBI ICDR Regulations, 2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| RTGS                                         | Real Time Gross Settlement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Red Herring Prospectus/RHP                   | The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid/Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus                                                                         |
| Refund Account(s)                            | The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Refund Bank(s)                               | Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Refunds through electronic transfer of funds | Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| Term                                        | Description                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI                                                                                                                |
| Registered Broker                           | Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate                                                                                                                                                                                                          |
| Registrar to the Offer/RTO                  | The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form                                                                                                                                                                                                                                      |
| Reserved Category/Categories                | Categories of persons eligible for making application/Bidding under reservation portion                                                                                                                                                                                                                                         |
| Reservation Portion                         | The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009                                                                                                                                                                                            |
| Retail Individual Investors/RIIs            | Investors who applies or bids for a value of not more than ₹200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs.                                                                                                                                          |
| Retail Individual Shareholders              | Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.                                                                                                                                                                                                                                      |
| Retail Category                             | The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.                                                                          |
| Revision Form                               | The form used by the Bidders, including ASBA Bidders, in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)                                                                           |
| RoC                                         | The Registrar of Companies                                                                                                                                                                                                                                                                                                      |
| SEBI                                        | The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992                                                                                                                                                                                                               |
| SEBI ICDR Regulations, 2009                 | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009                                                                                                                                                                                                                     |
| Self Certified Syndicate Bank(s) or SCSB(s) | A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>                                                                          |
| Specified Locations                         | Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> and updated from time to time |
| Stock Exchanges/SE                          | The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed                                                                                                                                                                           |
| Syndicate                                   | The Book Running Lead Manager(s) and the Syndicate Member                                                                                                                                                                                                                                                                       |
| Syndicate Agreement                         | The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members                                                                                                                                                                                |
| Syndicate Member(s)/SM                      | The Syndicate Member(s) as disclosed in the RHP/Prospectus                                                                                                                                                                                                                                                                      |

| Term                   | Description                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Underwriters           | The Book Running Lead Manager(s) and the Syndicate Member(s)                                                                                                                                                                                                                                                                                                                                                    |
| Underwriting Agreement | The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date                                                                                                                                                                                                                                                                                                          |
| Working Day            | Any day, other than 2 <sup>nd</sup> and 4 <sup>th</sup> Saturday of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, “Working Days” shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India. |

## 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 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 government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), issued Circular 1 of 2015 (“**Circular 1 of 2015**”), which with effect from May 12, 2015, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on May 11, 2015. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, Circular 1 of 2015 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and transfer does not attract the provisions of the Takeovers 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.

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 Securities Act, and 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 Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.**

**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 Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**

## **SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of the Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of the Company are detailed below:*

The Articles of Association of the Company are divided into Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In the event of any inconsistency between Part A and Part B of the Articles, the provisions of Part B shall prevail over Part A. However, Part B shall automatically terminate and cease to have any force and effect from the date of finalisation of basis of allotment of Equity Shares of the Company in the Offer.

### **Part A of the Articles of Association**

#### **Shares**

Article 3 provides that “The authorized share capital of the Company is ₹ 1,000,000,000 (Rupees One Billion only) divided into 100,000,000 (One Hundred Million) Equity Shares of ₹ 10 (Rupees ten) each.”

#### **Shares at the disposal of Directors**

Article 4 provides that “Subject to provisions of Section 62 of the Act, the shares shall be under the control of the Directors who may issue, allot, or otherwise dispose off the same to such persons on such terms and conditions and at such time as the directors think fit and with full power to give to any persons the opinion to call for any shares either at par or at premium and for such consideration as the Directors think fit. The Directors shall have the absolute power to divide the shares in the original or any increased capital into different classes and attach thereto at their discretion any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital voting or otherwise.”

#### **Redeemable Preference Shares**

Article 5 provides that “Subject to the provisions of Section 55 of the Act read with the rules framed thereunder and the terms hereof, the company shall have the power to issue preference shares which are at the option of the Company to be redeemed and the resolution authorizing such issue shall prescribe the manner terms and condition of redemption.”

#### **Further Issue of Shares**

Article 6 provides that:

- (1) “Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—
  - (a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:—
    - (i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
    - (ii) unless these Articles otherwise provide, 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 clause (i) shall contain a statement of this right;
    - (iii) 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 which is not disadvantageous to the shareholders and the company;



- (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed; or
  - (c) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), 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 such conditions as may be prescribed.
- (2) The notice referred to in sub-clause (i) of clause (a) of sub-section (1) shall be despatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.
- (3) Nothing in this section shall apply to the increase of the subscribed capital of a 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:

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 passed by the company in general meeting.”

### **Consolidation and Sub-Division of Shares**

Article 7 provides that “Subject to provisions of the Act, the Company shall have the right to.

- (a) increase its authorised share capital by such amount as it thinks expedient;
- (b) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (e) cancel 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 the shares so cancelled.

The cancellation of shares under sub-clause (e) above shall not be deemed to be a reduction of share capital.”

### **Reduction of Capital**

Article 12 provides that “The Company shall have the power to reduce the share capital in the manner provided in Section 100 of the Companies Act, 1956 or any statutory modification thereof.”

### **Buyback of Shares**

Article 13 provides that “The Company may buyback its own shares or other securities as may be modified by the Central Government, subject to the notified provisions of Section 68 to 70 of the Act.”

## **TRANSFER AND TRANSMISSION OF SHARES**

### **Register of Transfers**

Article 14 provides that “The Company shall keep a book to be called the “Register of Transfer” either physical or in electronic form and there in shall be fairly and distinctly entered particulars of every transfer or transmission of any shares.”

### **Directors may refuse to register transfer**

Article 15 provides that “The Board may decline to register the transfer in following cases:

- (a) Where the Company has lien on a share, or
- (b) In case of share are not fully paid up, where it is not proved to their satisfaction that the proposed transferee is a responsible person.”

### **Manner of transferring shares**

Article 16 provides that “Notwithstanding the restrictions herein contained a member shall be entitled as of right to transfer all or any of his shares to another member and to any child, father, mother, widower, widow, brother or sister of such deceased member and the registration in Article 17 hereof shall not apply to any transfer authorized by this Article.”

### **Title in case of death or insolvency of member**

Article 17 provides that “Any person becoming entitled to a share in consequence of the death or insolvency of a member shall upon such evidence being produced as may from time to time be required by the Directors, has the right, either to be registered as a member in respect of the share or instead of being registered himself, to make such a transfer of the share as the deceased or insolvent person could have made but the Directors shall in either case have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or insolvent person before the death or insolvency. Nothing contained in these Articles shall release the estate of a deceased joint holder from any liability in respect of any share, which had been held by him or other persons.”

### **Registration of transfer of shares**

Article 18 provides that:

- (a) Application of shares to be made by transferor or transferee: An application for registration of the transfer of share may be made either by the transferor or the transferee provided that where such application is made by the transferor no registration shall in the case of partly paid up shares be effected unless the Company gives notice of the application to the transferee and subject to the terms hereof, the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in its register of members the name of the transferee in the same manner and subject to the conditions as if the application for registration was made by the transferee.
- (b) Notice of transferee: For the purpose of sub-clause (a) notice to the transferee shall be deemed to have been duly given if sent by pre-paid post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered in the ordinary course of post.
- (c) Restriction to register shareholder: Nothing in clause (c) shall prejudice any power of the Company to register as shareholder any person to whom the right to any share has been transmitted by the operation of any law.”

### **Survivor to be the holder of shares**

Article 20 provides that “In the case of the death of any one or more of the persons named in the register, as the joint-holder of any share, the survivor or survivors shall be the only person or persons recognised by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of the deceased joint- holder from any liability on the shares held with any person.”

### **Title to shares of deceased members**

Article 21 provides that “The executors or administrators of a deceased member not being one of the two or more joint-holders shall be the only persons recognised by the Company as having any title to shares registered in the name of such deceased member, and the Company shall not be bound to recognise such executors or administrators unless they have first obtained probate or letters of administration or other legal representation, as the case may be from a court of competent jurisdiction in India provided nevertheless the Board in any case as in its absolute discretion think fit, may dispense with the production of letters of administration or other such legal representation, upon such terms as to indemnity or otherwise as it may deem fit and under the next Article-22, register the name of the persons who claims to be absolutely entitled to the shares standing in the name of deceased member as a member in respect of such shares.”

## **Transmission of shares**

Article 22 provides that “Transmission of shares:

- (a) Where the shares of a company are held by more than one person jointly, the surviving joint holders shall be entitled for getting the shares transmitted to his/her/their name(s).
- (b) Where the deceased shareholder(s) had appointed any nominee(s) in accordance with the provisions of the Act, such nominee(s) shall be entitled for getting the shares transmitted to his/her/their name(s).
- (c) In other cases, the legal heir(s) shall be entitled for getting the shares transmitted to his/her/their name(s) upon producing such evidence as may be specified by the Company.”

## **Restricted right of transfer**

Article 23 provides that “No person shall exercise any rights or privileges of shareholders until he shall be paid all sums (whether in respect of call or otherwise) for the time being due in respect of the shares held by him or due in any manner whatsoever to the Company.”

## **Company and Directors not liable to notice of equitable rights**

Article 25 provides that “Neither the Company nor the Board shall incur liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by an apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of any person or persons having or claiming through any equitable right or title or interest to or in the said shares, notwithstanding that the company or the Board may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred there in any books of the Company, and neither the Company nor the Board shall be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Board shall, nevertheless be at liberty to regard and attend to any such notice and given effect thereto, if it in its absolute discretion shall so think fit.”

## **No fee on transfer or transmission**

Article 27 provides that “ 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 document.”

## **Company’s lien on shares/debentures**

Article 28 provides that “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) 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 and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. 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. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.”

## **Term of issue of debentures**

Article 29 provides that “Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.”

### **Issue of bonus shares**

Article 30 provides that “Subject to provisions of Section 63 of the Act, the Company shall issue bonus shares to its members.”

### **Unpaid or unclaimed dividend**

Article 31 provides that “Unpaid or unclaimed dividend: Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within 7 (Seven) days from the date of expiry of the said period of 30 days, to a special account to be opened by the company in that behalf in any scheduled bank, to be called “Unpaid Dividend Account”.

Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund.

No unclaimed or unpaid dividend shall be forfeited by the Board.”

### **Number of Directors**

Article 33 provides that “The number of the Directors shall not be less than three or more than 15 (fifteen).

(a) The first directors of the company are:

- (i) Dr. A Velumani.
- (ii) Mr. A Sundararaju.
- (iii) Mrs. Sumathi Velumani.

(b) Other Directors: Any person appointed as Directors of the Company under clause 66 of Table “F” shall hold office for such period and upon such conditions as may be specified subject to the provisions of Section 161 of the Act.”

Article 34 provides that: “Subject to the provisions of the Act, the Directors shall have power at any time to appoint any person as a Director to fill a casual vacancy. Any Director appointed to fill a casual vacancy shall hold office only upto the date on which the Director in whose place he has been appointed would hold office if it had not been vacated.”

Article 35 provides that: “The Board of the Company shall always be in compliance with the Act and the Listing Agreement and shall alter its composition as and when required to comply with the provisions of the Act and Listing Agreement.”

### **Share qualification**

Article 36 provides that “A Director need not hold any shares in the capital of the company to qualify him to be a Director of the company.”

### **Managing/Executive Director**

Article 37 provides that “The Directors may from time to time appoint and/or remove any one or more of their body to be a Managing Director(s), Executive Director(s), Technical Director/Non Technical Director, for such period and upon such terms as they think fit and may vest in such Director or Directors such of their powers as may be made exercisable for such period or periods and upon such terms and conditions and subject to such restrictions and generally upon such terms as to remuneration or otherwise as they may determine. The remuneration of such Directors may be by way of salary, perquisites or commission or participation in profits or by way of any or all these modes.”

### **Remuneration of Directors**

Article 39 provides that “A Director may be paid remuneration by way of fee for attending meetings of the Board or any Committee(s) thereof, whatsoever as may be decided by the Board. The Directors shall also be

paid their travelling, lodging and boarding expenses and such remuneration (if any) as the Company in General Meetings may from time to time determine. Provided that the amount of such fee shall not exceed such amount as may be prescribed under the Act.”

Article 40 provides that “If any Director be called upon to perform extra service or special exertions or efforts (which expression shall include work done by a Director as member of any Committee formed by the Board, the Board may arrange with such Director for such special remuneration for such extra services or special exertion or efforts either by way of a fixed sum or otherwise as may be determined by the Board and such remuneration above provided.”

#### **Resolution by circular**

Article 41 provides that “Subject to the provisions of Section 175 of the Act a resolution passed without any meeting of Directors appointed under these Articles and evidenced by writing under the hands of all the Directors or members of such committee as aforesaid, be as valid and as effectual as a resolution duly passed at a meeting of the Directors or such committee called and held in accordance with the provision of these Articles.

Provided that the resolution has been circulated in draft together with the necessary papers, if any, to all 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 and has been approved by a majority of the director or members, who are entitled to vote on the resolution.”

#### **Borrowing powers**

Article 42 provides that “Subject to the provisions of Section 179 and other applicable provisions of the Act and applicable law, the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, generally raise loans or borrow moneys or secure the payment of any sum or sums of money so borrowed for the purpose of the Company.”

#### **Notice of meeting**

Article 46 provides that:

- a) “Not less than clear twenty-one days notice General Meeting (exclusive of the day on which the notice is served or deemed to be served and exclusive of the day of which notice is given) in writing or through electronic mode in such manner as may be prescribed specifying the place, date, day and the hour of meeting shall be given in manner hereinafter mentioned or in such other manner if any as may be prescribed under the Act. Any accidental omission to give notice to, non-receipt of such notice by any member shall not invalidate the proceedings at any General Meeting. Every notice shall also contain a statement of the business to be transacted at such meeting.
- b) A General Meeting may be called after giving shorter notice than that specified in clause above, if consent is accorded in writing or electronic mode by not less than 95 percent of the members entitled to vote at such meeting.”

#### **Indemnity**

Article 47 provides that “Directors and others right to indemnity: Every officer or agent for the time being of the Company shall be indemnified out of the funds of the Company against any liability incurred by him in defending any proceeding whether Civil or Criminal in which judgment is given in his favour or in which he is acquitted or in connection with an application under Section 463 in which relief is granted to him by the court.”

#### **Secrecy clause**

Article 48 provides that “No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or any person authorised on that behalf by the Director or require discovery of any information respecting any details of the Company’s trading or any matter which is or may relate to the conduct of the business of the Company which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.”

## **Part B of the Articles of Association**

Part B of the Articles of Association include all the rights and obligations of the parties to the Share Purchase Cum Shareholders Adherence Agreement Cum Amendment Agreement Dated September 24, 2012 (the “2012 Agreement”) entered into between the Company, the promoters (as defined in the 2012 Agreement), the Existing Investor (Agalia) and the New Investor (NVP). In the event of any inconsistency between Part A and Part B of the Articles, the provisions of Part B shall prevail over Part A. However, Part B of the Articles shall automatically terminate and cease to have any force and effect from the date of allotment of the equity shares pursuant to the initial public offering of shares of the Company.

### **CCDs**

Article 54.1 provides that each CCD shall be converted into such number of Equity Shares of the Company and at such conversion price as set out in Schedule 8 of the investment agreement dated December 23, 2010 (the “2010 Agreement”) entered into between the Company, the Promoters (as defined in the 2010 Agreement) and Agalia. The conversion of CCDs Equity Shares of the Company shall be in accordance with the provisions of the 2010 Agreement and the Articles of Association.

### **Board of Directors**

#### **Number of Directors**

Article 57.1 provides that “The Board shall at all times comprise a maximum of 8 (eight) directors.

#### **Appointment of Directors**

Article 57.1 provides that Agalia shall be entitled to appoint and maintain in office two non retiring Directors on the Board of the Company (including alternate directors in the place of such nominated directors).

Article 57.3 provides that the Promoters shall be entitled to appoint three Directors.

Article 57.3 provides that two directors shall be Independent Directors who shall be appointed with the mutual consent of Agalia, NVP and the Executive Promoters.

### **Meeting of the Board**

Article 58.1 provides that “At least 14 Business Days’ notice of each Board meeting shall be given to each director unless in any particular case a majority of the directors (which majority shall include at least one Investor Director appointed by the Existing Investor and one Investor Director of the New Investor) agree otherwise. The detailed agenda for each Board meeting and all papers connected therewith and/or proposed to be placed or tabled before the board shall be circulated together with the notice and, if any item other than those specified in the agenda may be discussed at any Board meeting, then either of the Investor Directors appointed by the Existing Investor and/or the New Investor respectively, may require that any discussion or vote on the same be deferred to the next meeting of the Board.”

### **Quorum**

Article 58.2 provides that “The quorum for any board meeting and for any shareholder meeting of the Company shall include the presence of at least one Investor Director appointed by each of the Existing Investor and the New Investor, and one representative of each of the Existing Investor and the New Investor respectively. Provided however notwithstanding the foregoing, in the event the Investor Director appointed by the New Investor is not present or able to attend any board meeting and at least one Investor Director appointed by the Existing Investor is present for such board meeting, then presence of the Investor Director appointed by the New Investor shall not be required to form the quorum for such board meeting. Provided however, that it is clarified that foregoing proviso shall not apply in case (i) any of the items for the concerned board meeting are Reserved Matter items and the New Investor has not provided its written consent in respect of such matter to the Company; (ii) due notice of the concerned board meeting has not been provided to the Investor Director appointed by the New Investor; (iii) the item taken up in the concerned board meeting is not covered in the notice provided to the Investor Director appointed by the New Investor for such board meeting; notwithstanding anything contained herein, the presence of the Investor Director appointed by the New Investor shall be required to form quorum for the purposes of this Article 52.2 in the event any of the sub-clauses (i), (ii) and/or (iii) are applicable at any point in time.”

## **Reserved Matters**

Article 60.1 provides that “neither the Company nor any Group Company shall take any action or decision relating to any of the following Reserved Matters, and each of the Company and the Promoters shall procure that no action or decision relating to the following Reserved Matters (i) set out in Part A shall be taken (whether by the board of directors, any committee, or the shareholders of the Company, its Subsidiaries or any of their employees, officers or managers) unless each of the Existing Investor’s Consent and the New Investor’s Consent is obtained in writing for such action or decision; and (ii) set out in Part B shall be taken (whether by the board of directors, any committee, or the shareholders of the Company, its Subsidiaries or any of their employees, officers or managers) unless the New Investor’s Consent is obtained in writing for such action or decision.”

## **Transfer of Shares**

Article 62.1 restricts the transfer or encumbrance of Equity Shares of the Company held by the Promoters.

Article 62.2 provides that Agalia and NVP shall have the right of first refusal in the event of transfer of Equity Shares of the Company by the Promoters.

## **Tag Along Rights**

Article 62.4 provides that in the event the Promoters desire to sell any Equity Shares held by them in the Company to a third party, the Promoters shall provide Agalia and NVP a right to sell the Equity Shares of the Company held by them, along with the Equity Shares proposed to be sold by the Promoters.

## **Qualified IPO**

Article 63.1 provides that “The Company and the Promoters shall ensure that the Company shall, conduct a QIPO on or before the QIPO Deadline Date.”

## **Put Option**

Article 63.8 provides that if a QIPO does not take place by the QIPO Deadline Date then at any time thereafter, Agalia and NVP shall, severally be entitled to require the Promoters and the Company to, jointly and severally, purchase up to all the Equity Shares of the Company held by them.

## **Compulsory Listing**

Article 63.9 provides that in the event the Promoters do not honour the put option exercised by either Agalia, or NVP as the case may be, they shall jointly have the right to cause the Company and the Promoters to compulsorily have an IPO of the Equity Shares of the Company on any stock exchange.

## **Exit Rights**

Article 64 provides Agalia and NVP with certain exit rights in the event that the Compulsory Listing of the Company does not take place before the expiry of 54 months from the Completion Date or the Company or the Promoters have committed a breach of any of the provisions of the 2010 Agreement as amended by the 2012 Agreement or the Articles of Association or an Event of Default has occurred.

## **More Favourable Rights**

Article 65.3 provides that the Company and the Promoters shall not provide any person with rights in relation to the Company which are more favourable than those provided to Agalia and NVP.

## SECTION IX: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Bid/Offer Opening Date until the Bid/Offer Closing Date.

#### A. Material Contracts for the Offer

1. Offer Agreement dated December 29, 2015 amongst our Company, the Selling Shareholders and the BRLMs.
2. Agreement dated December 29, 2015 amongst our Company, the Selling Shareholders and the Registrar and Share Transfer Agent to the Offer.
3. Escrow Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar and Share Transfer Agent to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s).
4. Share Escrow Agreement dated [●] amongst the Selling Shareholders, the Lead Managers, our Company and the Escrow Agent.
5. Syndicate Agreement dated [●] amongst our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar and Share Transfer Agent to the Offer.
6. Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders, Registrar and Share Transfer Agent to the Offer and the Underwriters.

#### B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated January 28, 2000.
3. Certificate of commencement of business dated March 7, 2000.
4. Resolutions of the Board of Directors dated December 24, 2015 in relation to the Offer.
5. Resolution dated December 21, 2015 passed by the board of directors of Agalia approving the Offer for Sale.
6. Consents from (i) Anand Velumani; (ii) A. Velumani HUF; and (iii) A. Sundararaju HUF, each dated December 21, 2015, in relation to the Equity Shares offered by each of them in the Offer.
7. The examination reports of the Statutory Auditor dated December 24, 2015, on our Company's and our Subsidiary's Restated Financial Statements, included in this Draft Red Herring Prospectus.
8. The Statement of Tax Benefits dated December 19, 2015 from M Chinnaswamy Jai Vinoth and Associates, Chartered Accountants.
9. Consent of the Directors, the BRLMs, the Syndicate Members, Indian Legal Counsel to the Offer, International Legal Counsel to the Underwriters, Registrar and Share Transfer Agent to the Offer, Escrow Collection Bank(s), Bankers to the Offer, Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities.
10. Slump Sale Agreement dated March 26, 2015 and addendum to slump sale agreement dated September 29, 2015, entered into between our Company and our Subsidiary.



11. Letter Agreement dated June 17, 2015 entered into between our Company and our Subsidiary.
12. Memorandum of Understanding dated March 29, 2001 entered into between our Company and TBPL.
13. Memorandum of Understanding dated March 29, 2001 entered into between our Company and TDPL.
14.
  - (a) Investment Agreement dated December 23, 2010, entered into amongst Company, K. Selvaraj, A. Rathinaswamy, Susila Selvaraj Naidu, Vasanthamani R., A. Rathinaswamy HUF, A. Sundararaju, A. Sundararaju HUF, A. Velumani HUF, Anand Velumani, Arokiaswamy Sayammal Naidu, Bhamini Sundararaju Naidu, Dr. A. Velumani, Peranaidu Arokiaswamy, Rao Rajgopal J K, Thyrocare Properties, Thyrocare Publications and Agalia (the “**First Investment Agreement**”) as amended through Share Purchase cum Shareholders Adherence cum Amendment Agreement dated September 24, 2012, entered into amongst Company, Dr. A. Velumani, A Velumani HUF, A. Sundararaju, A. Sundararaju HUF, Thyrocare Properties, Thyrocare Publications, MAPL, SCPL (previously known as Navkamna Marketing Private Limited), SIPL (previously known as Alexandra Vinimay Private Limited), Sumathi Velumani, Agalia and NVP (the “**Second Investment Agreement**” and together with the First Investment Agreement, the “**Investment Agreement**”)
  - (b) Share Acquisition Terms Agreement dated September 2, 2013 entered into between Agalia and EIF and Agreement to Adhere to the Share Acquisition Terms Agreement dated September 2, 2013 entered into amongst the entered into amongst the Company, our Promoters and EIF (collectively, the “**Share Acquisition Agreement**”).
  - (c) Amendment Agreement dated December 29, 2015 amongst our Company, Dr. A. Velumani, A. Sundararaju, Sumathi Velumani, A. Sundararaju HUF, A. Velumani HUF, K. Selvaraj, A. Rathinaswamy, Susila Seelvaraj, Vasanthamani R, Anand Velumani, P. Arokiaswamy, Rao Rajagopal K., Thyrocare Properties and Infrastructure Private Limited and Thyrocare Publications Private Limited, Mahima Advertising Private Limited, Sumathi Construction Private Limited, Sumathi Infra Project Private Limited, Bhamini Sundararaju, and A. Rathinaswamy HUF, Agalia, NVP and EIF amending the Investment Agreement and the Share Acquisition Agreement.
15. Debenture Transfer Agreement dated July 23, 2014 entered into amongst our Company, our Promoters, Agalia, Sumathi Velumani, Anand Velumani, Amruta Velumani, A. Velumani HUF, A. Sundararaju HUF, S. Bhamini, A. Rathinaswamy, Rao Rajagopal J.K, R. Vasanthamani, K. Selvaraj, Susila Selvaraj, P. Arokiaswamy, A. Sayammal, A. Rathinaswamy HUF, Thyrocare Properties, Thyrocare Publications, MAPL and SIPL.
16. Letter of gift dated September 19, 2014 issued by Samara Capital Partners Fund I Limited in favour of Dr. A. Velumani.
17. Letter of gift dated September 15, 2014 issued by Agalia in favour of Dr. A. Velumani.
18. Investment Agreement dated August 24, 2011 entered into amongst our Company, our Subsidiary, Agalia and Susila Selvaraj, Dr. A. Velumani, A. Sundararaju, Anand Velumani, Sumathi Velumani, Amruta Velumani, Rao Rajgopal JK, A. Velumani HUF.
19. Investment Agreement dated January 14, 2013 entered into amongst our Company, our Subsidiary, Agalia, NVP and Susila Selvaraj, Dr. A. Velumani, A. Sundararaju, Anand Velumani, Sumathi Velumani, Amruta Velumani, Rao Rajgopal JK, A. Velumani HUF.
20. Share Purchase Agreement dated May 28, 2014 entered into between our Company and Agalia
21. Letter of Sale dated September 24, 2014 entered into between NVP and the promoters of our Subsidiary for sale of equity shares of our Subsidiary.
22. Convertible Debenture Subscription Agreement dated May 30, 2006 entered into between our Company and BCCL.
23. Memorandum of Understanding dated March 6, 2009 entered into amongst our Company, the Promoters and other parties and BCCL.

24. Amendment to the Convertible Debenture Subscription Agreement dated September 27, 2010 entered into amongst our Company, our Promoters and other parties and BCCL.
25. Copies of the annual reports of our Company for the Fiscals 2015, 2014, 2013, 2012 and 2011.
26. Due Diligence Certificate dated December 30, 2015 addressed to SEBI from the BRLMs.
27. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.
28. Tripartite agreement dated May 19, 2006 between our Company, NSDL and the Registrar and Share Transfer Agent to the Offer.
29. Tripartite agreement dated August 18, 2006 between our Company, CDSL and the Registrar and Share Transfer Agent to the Offer.
30. Letter from SEBI bearing no. [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring 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 relevant statutes.

## **DECLARATION**

Agalia Private Limited, hereby declares and certifies that all statements made, and undertakings provided, in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares being offered by it in the Offer are true and correct. Agalia Private Limited assumes no responsibility for any of the statements made, or undertakings provided by the Company or any other Selling Shareholder or any expert or any other persons in this Draft Red Herring Prospectus.

**Signed for and on behalf of Agalia Private Limited**

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**Authorised Signatory**

**Name:**

**Designation:**

Date: December 30, 2015

Place:

## **DECLARATION**

Anand Velumani, hereby declares and certifies that all statements made, and undertakings provided, in this Draft Red Herring Prospectus about or in relation to himself and the Equity Shares being offered by himself in the Offer are true and correct. Anand Velumani assumes no responsibility for any of the statements made, or undertakings provided by the Company or any other Selling Shareholder or any expert or any other persons in this Draft Red Herring Prospectus.

**Signed by Anand Velumani**

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**Name: Anand Velumani**

Date: December 30, 2015

Place:

## **DECLARATION**

A. Velumani HUF, hereby declares and certifies that all statements made, and undertakings provided, in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares being offered by it in the Offer are true and correct. A. Velumani HUF assumes no responsibility for any of the statements made, or undertakings provided by the Company or any other Selling Shareholder or any expert or any other persons in this Draft Red Herring Prospectus.

**Signed for and on behalf of A. Velumani HUF**

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**Authorised Signatory**

**Name:**

**Designation:**

Date: December 30, 2015

Place:

## **DECLARATION**

A. Sundararaju HUF, hereby declares and certifies that all statements made, and undertakings provided, in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares being offered by it in the Offer are true and correct. A. Sundararaju HUF assumes no responsibility for any of the statements made, or undertakings provided by the Company or any other Selling Shareholder or any expert or any other persons in this Draft Red Herring Prospectus.

**Signed for and on behalf of A. Sundararaju HUF**

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**Authorised Signatory**

**Name:**

**Designation:**

Date: December 30, 2015

Place:

## DECLARATION

We, the Directors, hereby declare and certify that all relevant provisions of the Companies Act (including the rules made thereunder) and the rules, regulations, and guidelines issued by the Government of India or 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules, regulations, and guidelines made thereunder, as the case may be. We further certify that all the statements and disclosures in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

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**Dr. A. Velumani**

(Chairman and Managing Director)

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**A. Sundararaju**

(Executive Director and Chief Financial Officer)

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**Sumathi Velumani**

(Non-Executive Director)

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**Gopal Shivram Hegde**

(Independent Director)

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**Vishwas Kulkarni**

(Independent Director)

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**N. Palanisamy**

(Independent Director)

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**Dr. Neetin S. Desai**

(Independent Director)

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**Sohil Chand**

(Nominee Director)

Date: December 30, 2015

Place: