



CHANDAN HEALTHCARE LIMITED

Reg Off. Add: Biotech Park, Sector-G, Jankipuram, Kursi Road, Lucknow-226021

CIN: L85110UP2003PLC193493

TEL NO.: -8069366666 Email: secretarial@chandan.co.in

www.chandandiagnostic.com

Date: 18-06-2026

To,
National Stock Exchange of India Limited
9th Floor, Adani Inspire,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400051

**Subject: Submission of Reply to Complaint Filed by Dayal Institute of Medical Sciences Limited
(formerly Chandan Institute of Medical Sciences Limited)**

**Ref: NSE Communication regarding complaint filed by Dayal Institute of Medical Sciences Limited in
relation to disclosures contained in the Red Herring Prospectus dated February 04, 2025 of Chandan
Healthcare Limited**

Dear Sir/Madam,

With reference to the above-mentioned communication, we hereby submit the detailed reply of Chandan Healthcare Limited in response to the complaint filed by Dayal Institute of Medical Sciences Limited (formerly Chandan Institute of Medical Sciences Limited).

The enclosed reply was earlier submitted to the Exchange by the Company and its Merchant Banker, Unistone Capital Private Limited, vide email dated May 27, 2026.

For the purpose of updating the records of the Exchange and facilitating reference, the aforesaid reply is being uploaded herewith on the NSE portal.

We request you to kindly take the same on record and acknowledge receipt.

Thanking you.

Yours faithfully,

For Chandan Healthcare Limited

Rajeev Kumar Nain
Company Secretary & Compliance Officer

Encl.: Detailed Reply dated May 26, 2026



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Date: May 26, 2026

To,
National Stock Exchange of India Limited,
9th Floor, Adani Inspire,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400051

Subject: Clarification to NSE Communication regarding Complaint filed by Dayal Institute of Medical Sciences Limited (formerly Chandan Institute of Medical Sciences Limited (CIMS)) in relation to disclosures in the Red Herring Prospectus dated February 04, 2025 of Chandan Healthcare Limited (“the Company” or “the Issuer”)

PART I: Background and relationship with Dayal Institute of Medical Sciences Limited (DIMSL, formerly known as CIMS)

1. Background of the Relationship

An MOU dated December 18, 2021 was executed between CIMS (through its then directors, namely Amar Singh, Asmita Singh, and Aasti Singh) and Rajesh Kumar Singh (now Rajesh Singh Dayal), Sunita Singh, and Parth Singh, for the purpose of developing a hospital and medical college project on land owned by Rajesh Kumar Singh, Sunita Singh and Parth Singh (“**Second Party to MOU**”). The Chandan Group entities were allotted shares in CIMS pursuant to and in furtherance of this arrangement, and the Chandan Group invested substantially in CIMS.

2. Nature of the Investment

The Company, along with other Chandan Group entities, namely Chandan Hospital Limited, Chandan Pharmacy Limited, and Chandan Singh Foundation, held equity shares in DIMSL (formerly CIMSL). These shares were allotted during FY 2021-22 at a price of ₹ 270 per share of face value ₹ 10. At the time of allotment, only ₹ 27 per share was called up and paid. The balance amount of ₹ 243 per share remained uncalled as on the date of the RHP.

3. Breakdown of Relationship and Current Status

Disputes arose between Chandan Group entities and Rajesh Kumar Singh, Sunita Singh and Parth Singh. So subsequently Rajesh Kumar Singh along with Sunita Singh and Parth Singh took over the management and control of CIMS, renamed it as DIMSL, and inducted their own directors. The original promoter group, which included persons associated with the Chandan Group, has since exited management.

It is respectfully submitted that as on the date of this reply, **the Company has no active financial transactions, operational involvement, or management participation in DIMSL.**

It is pertinent to state that the complainant, Rajesh Singh Dayal, had issued certain Post-Dated Cheques in favour of the Chandan Hospital Limited towards repayment of amounts transferred by Chandan Hospital Limited to CIMSL for the construction related purposes. However, in order to evade and avoid repayment of the said liability, Rajesh Singh Dayal has, after more than one year from the listing of the Company, instituted the present complaint with mala fide intent and for the ulterior purpose of circumventing and delaying his outstanding repayment obligations.

Moreover, while making the complaint, the complainant Rajesh Kumar Dayal have made a calculated endeavour to **conceal and suppress the material fact that Rajesh Kumar Dayal have himself invoked the arbitration clause** for resolution of disputes pertaining to MoU dated December 18, 2021, That since the arbitration is to be conducted by a panel of three arbitrators, wherein the parties are to appoint one each nominee arbitrator and then the said nominee arbitrator would appoint a Presiding Arbitrator as such in pursuance thereof, group lead by Rajesh Singh Dayal have nominated **Vishnu Datta Shukla, Former Member, Commercial Tax Tribunal, U.P.** as their nominee arbitrator and the Company has nominated **Lalit Verma, (Retd.) IAS**, as their nominee arbitrator, the said nominee arbitrators are in the process of the appointing a Presiding Arbitrator. The complainant, Rajesh Singh Dayal have suppressed the fact that the disputes are arbitrable in nature and the proceedings are already underway as such, complaint made by Rajesh Singh Dayal is motivated and have been made with *mala fide* intent and thus, the same ought to be rejected.

The following active legal proceedings between the parties are noted for NSE's information:

- **Arbitration proceedings** are pending pursuant to Clause 9 of the MOU dated December 18, 2021. Arbitration notices were issued by the Rajesh Singh Dayal on February 13, 2026 and March 18, 2026. Both parties have since nominated their respective arbitrators and arbitral proceedings are underway.
- **Recovery Notices** were issued by Chandan Hospital Limited to DIMSL on March 25, 2026 claiming outstanding amounts of ₹ 5,82,99,814.87 representing financial assistance extended to DIMSL. DIMSL has denied these claims.
- **Call Notices** dated March 10, 2026 were issued by DIMSL to the Chandan Group entities demanding payment of ₹ 243 per share on partly paid shares. The Company has duly replied to these notices on April 21, 2026 challenging their validity and maintainability on grounds that they are contrary to the Articles of Association and applicable provisions of the Companies Act, 2013.
- A **Forensic Audit** commissioned by DIMSL's current management (R.M. Lall & Co., Chartered Accountants) and the Company's response thereto are matters forming part of the ongoing disputes which are subject to arbitration.

PART II: Clarification Regarding The Specific Disclosure in the RHP

1. False and contradictory disclosure regarding paid-up status of DIMSL shares

The complaint alleges that the RHP dated February 04, 2025 incorrectly described the equity shares held by the Company in DIMSL as “fully paid-up” whereas the shares were in fact only partly paid-up and carried an outstanding liability of ₹ 243 per share.

Acknowledgment of Inadvertent Drafting Error

In this regard, the Company, after review of the relevant disclosures in consultation with the Merchant Banker, acknowledges that in the Notes to the Consolidated Financial Statements appearing on page 269 of the RHP, the shares were inadvertently described as “fully paid-up”. The said statement was an inadvertent clerical/drafting error and was neither intentional nor made with any mala fide intent to conceal or misrepresent the status of the shares

Internal Contradiction Within the RHP Itself Demonstrates Absence of Mala fide Intent

It is pertinent to note that the very same RHP, under the section “*Our Group Companies- Shareholding Pattern of Chandan Institute of Medical Sciences Limited*” appearing on page 231, expressly and correctly disclosed that the shares held by the relevant shareholders were partly paid-up in nature. The RHP specifically stated as follows:

“The shares of these shareholders are partly paid up. Only Re. 1 is received from them i.e., for Chandan Hospital Limited, Chandan Healthcare Limited, Chandan Pharmacy Limited and Chandan Singh Foundation have paid on ₹ 8,50,000, ₹ 8,25,000, ₹ 4,25,000 and ₹ 1,48,150, respectively.”

It was also clearly understood from the disclosure that Re. 1 represented the face value paid per equity share, whereas the balance amount of ₹ 26 per share represented securities premium remaining unpaid.

Accordingly, the partly paid-up status of the shares had already been specifically disclosed elsewhere in the RHP itself. The existence of such express disclosure within the same document clearly demonstrates the absence of any intention to suppress, conceal or mislead investors or regulators regarding the nature of the shares. Had there been any intent to misrepresent the facts, the Company would not have made a categorical disclosure regarding the partly paid-up status in another section of the RHP.

Therefore, the inconsistency referred to in the complaint was purely an inadvertent drafting oversight arising from an isolated erroneous description in a portion of the RHP, and does not constitute concealment, fraud or deliberate misstatement. The same is merely an unintentional irregularity which has no bearing on the overall disclosures made in the RHP.

2. Suppression and inadequate disclosure of substantial unpaid call liability

With respect to the allegation regarding suppression and inadequate disclosure of the unpaid call liability pertaining to partly paid-up shares of DIMSL, it is submitted that the Red Herring Prospectus had, at page 231 under the section titled *“Our Group Companies- Shareholding Pattern of Chandan Institute of Medical Sciences Limited”*, expressly disclosed the partly paid-up nature of such shares. The RHP specifically stated as follows:

“The shares of these shareholders are partly paid up. Only Re. 1 is received from them i.e., for Chandan Hospital Limited, Chandan Healthcare Limited, Chandan Pharmacy Limited and Chandan Singh Foundation have paid on ₹ 8,50,000, ₹ 8,25,000, ₹ 4,25,000 and ₹ 1,48,150, respectively.”

Accordingly, the fact that the shares were partly paid-up was clearly and specifically disclosed in the RHP itself. The Company had no commercial or regulatory incentive to suppress the status of such shares, particularly when the same had already been expressly disclosed in the narrative sections of the Offer Document.

It is further clarified that the amount of approximately ₹ 30,37,50,000 represents the unpaid amount on 12,50,000 equity shares at ₹ 243 per share remaining payable. The non-separate presentation of such amount in the financial statements was inadvertent in nature and cannot be construed as wilful suppression or concealment of material information, especially when the partly paid-up status of the shares had already been expressly disclosed elsewhere in the RHP.

Therefore, the allegation that the Company deliberately suppressed the unpaid call liability is incorrect and without merit. The disclosures made in the RHP, when read in entirety, adequately conveyed the partly paid-up nature of the shares and the associated payment obligations.

3. Misleading portrayal of DIMSL as engaged in healthcare / hospital operations

With respect to the allegation regarding the purported misleading portrayal of DIMSL as being engaged in healthcare or hospital operations, it is clarified that the disclosure made in the RHP was based on the main objects and business activities as set out in the Memorandum of Association of DIMSL.

Accordingly, the disclosure was made on the basis of the stated objects of the company and was not intended to misrepresent or inaccurately portray its business activities. Therefore, the allegation that the Company has made any false or misleading disclosure in this regard is incorrect and without basis.

4. Continued use of outdated / incorrect corporate identity

With respect to the allegation regarding the continued use of the earlier corporate name, it is submitted that the Draft Red Herring Prospectus was originally filed with the Stock Exchange on September 28, 2024, at which time the name of the concerned entity was “Chandan Institute of Medical Sciences Limited” and not “Dayal Institute of Medical Sciences Limited”.

It is further submitted that, to the best knowledge and information available to the undersigned, the proposal for change of name was introduced by the second party to the MoU, pursuant to an Extraordinary General Meeting purportedly held in December 2025. However, none of the shareholders representing the company were served with any notice convening such Extraordinary General Meeting. Accordingly, the shareholders of the company neither participated in nor had prior knowledge of the said meeting.

In view of the above, the validity and procedural compliance of the said meeting is disputed, including on the grounds of non-service of notice to certain shareholders as required under the provisions of the Companies Act, 2013.

Further, the amended Certificate of Incorporation reflecting the changed name was issued only on January 22, 2026. Since the shareholders representing the company were not aware of the purported name change prior thereto, no occasion arose for incorporating such change in the RHP, which continued to be based on the disclosures and records forming part of the DRHP filed on September 28, 2024.

Accordingly, the use of the earlier corporate name in the RHP was neither misleading nor deliberate but was based on the information and records available with the Company at the relevant point of time.

5. Overstatement of the quality and completeness of the Chandan Group's investment in DIMSL

With respect to the allegation that the share application money for the shares allotted was not fully paid through banking channels, we hereby submit that the entire amount was ultimately paid through bank transfers only.

Initially, cheques were received from the allottees towards the share application money and were accordingly recorded under “cheques issued but not cleared.” However, since those cheques could not be presented/deposited, the consideration for the allotment of shares was subsequently received through bank transfers from the respective allottees. Therefore, the complete share application amount was duly received through proper banking channels.

6. Mischaracterisation of capital-related receipts as secured borrowings

With respect to the allegation regarding the purported mischaracterisation of capital-related receipts as secured borrowings, it is submitted that certain amounts were directly transferred by the Chandan group companies to DIMSL towards funding and construction-related expenses of the project undertaken by the said entity.

To the extent such amounts represented share call money, the same was duly adjusted against the outstanding call money payable on the partly paid-up shares. Any excess amount remaining after such adjustment was subsequently classified in the books of accounts as loan/borrowing, based on its nature and treatment in the financial records.

Accordingly, the classification was carried out for accounting and presentation purposes based on the underlying transaction and there was no intention to incorrectly portray or misrepresent the nature of

the receipts. The allegation that the Company deliberately mischaracterised capital receipts as secured borrowings is therefore incorrect and without basis.

PART III: CONTEXT — THE COMPLAINT IS FILED IN THE BACKDROP OF ACTIVE COMMERCIAL DISPUTES

Nature and Motivation of the Complaint

It is pertinent to state that the complainant, Rajesh Singh Dayal, had issued certain Post-Dated Cheques in favour of the Chandan Hospital Limited towards repayment of amounts transferred by Chandan Hospital Limited to CIMSL for the construction related purposes. However, in order to evade and avoid repayment of the said liability, Rajesh Singh Dayal has, after more than one year from the listing of the Company, instituted the present complaint with mala fide intent and for the ulterior purpose of circumventing and delaying his outstanding repayment obligations.

It is respectfully submitted to NSE that the complaint filed by DIMSL ought be examined in its proper factual and commercial context. The complaint has been initiated at a time when:

- DIMSL has issued call notices to the Chandan Group entities for a total of approximately ₹ 54.64 crores towards unpaid call money on partly paid-up shares, which notices have been disputed and challenged by the Company as being invalid and unsustainable in law;
- DIMSL has withheld and denied the payment of approximately ₹ 5.82 crores claimed by the Chandan Hospital Limited as outstanding financial assistance extended by it; and
- The Arbitration proceedings have been initiated between the parties to the Memorandum of Understanding, which proceedings do not involve Chandan Healthcare Limited.

The Company is not suggesting that genuine grievances should not be examined by the regulatory authorities. However, it is respectfully submitted that the present complaint has been pursued in the backdrop of ongoing and heavily contested commercial disputes between two shareholder groups. In these circumstances, the Company respectfully requests NSE to consider the matter in its entirety and appreciate that the issue relating to disclosure arose merely on account of a clerical/inadvertent error in the Notes to the Financial Statements, and does not involve any deliberate concealment, fraud, or misrepresentation.

With respect to “Group-level responsibility and not a mere clerical lapse” allegation.

All disputes arising out of and/or in connection with the Memorandum of Understanding dated December 18, 2021, executed between CIMS (through its then directors, namely Amar Singh, Asmita Singh, and Aasti Singh) constituting the First Party, and Rajesh Kumar Singh, Sunita Singh, and Parth Singh constituting the Second Party, are presently the subject matter of arbitration proceedings. The arbitration clause under the said MOU has already been invoked by the Second Party led by Rajesh Kumar Singh, and the First Party has consented to resolution of the disputes through arbitration.

Accordingly, the disputes between the parties are presently pending adjudication before the learned Arbitral Tribunal. In these circumstances, raising allegations against the Company on matters which are directly connected with and form part of the pending arbitration proceedings is improper and contrary to the principles of fairness and judicial propriety. Such allegations therefore deserve to be rejected at the very outset.

Undertakings

The Company hereby undertakes the following:

- (i) The Company will cooperate fully with NSE, SEBI, and any other regulatory authority in connection with any further inquiry or investigation arising from this matter.

(ii) The Company reiterates that the error in the RHP was inadvertent, unintentional, and without any mala fide intent, and that the correct position was also available within the same RHP document.

Request

In view of the foregoing, the Company respectfully requests NSE to:

(a) Take note of the Company's explanation that the incorrect description of the shares as "fully paid-up" in one Note of the Consolidated Financial Statements was an inadvertent clerical error, particularly given that the correct partly paid-up position was separately and correctly disclosed elsewhere in the same RHP;

(b) Consider the full factual background, including the existence of active commercial and legal disputes between the Company and DIMSL, in evaluating the complaint filed by DIMSL;

(c) Take note of the Company's undertaking to make corrective and complete disclosures in all future filings; and

We remain committed to full transparency, regulatory compliance, and good corporate governance.

Kindly acknowledge receipt of this reply.

Yours faithfully,

For Chandan Healthcare Limited

RAJEE	Digitally signed by RAJEEV NAIN
V NAIN	Date: 2026.05.26 18:51:49 +05'30'

Rajeev Kumar Nain

Company Secretary & Compliance Officer

Place: Lucknow