



DR. LAL PATHLABS LIMITED

Our Company was incorporated as 'Dr. Lal PathLabs Private Limited', a private limited company under the Companies Act, 1956, with a certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana ("RoC") on February 14, 1995 at Delhi. Subsequently, the name of our Company was changed to 'Dr. Lal PathLabs Limited' upon conversion of our Company into a public limited company pursuant to a special resolution of the shareholders of our Company dated August 7, 2015 and a fresh certificate of incorporation was issued by the RoC on August 19, 2015. There has been no change in the registered office of our Company since incorporation of our Company.

Registered Office: Eskay House 54, Hanuman Road, New Delhi 110 001, India; **Telephone:** +91 11 3040 3210; **Facsimile:** +91 11 3040 3204
Corporate Office: 12th Floor, Tower B, SAS Tower, Sector 38, Medicity, Gurgaon 122 001, Haryana, India; **Telephone:** +91 124 3016 500; **Facsimile:** +91 124 4234 468
Contact Person: Mr. Rajat Kalra, Company Secretary and Compliance Officer; **Telephone:** +91 124 3016 557; **Facsimile:** +91 124 4234 468
Company/Contact Person E-mail: cs@lalpathlabs.com; **Website:** www.lalpathlabs.com; **Corporate Identity Number:** U74899DL1995PLC065388

PROMOTERS OF OUR COMPANY: (HONY.) BRIG. DR. ARVIND LAL, DR. VANDANA LAL AND ESKAY HOUSE (HUF)	
<p>INITIAL PUBLIC OFFERING OF UP TO 11,600,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF DR. LAL PATHLABS LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE"), AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") THROUGH AN OFFER FOR SALE OF UP TO 1,261,996 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY (HONY.) BRIG. DR. ARVIND LAL, UP TO 2,056,747 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY DR. VANDANA LAL, UP TO 238,226 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY ESKAY HOUSE (HUF), UP TO 550,386 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY MR. ANJANEYA LAL (COLLECTIVELY, THE "PROMOTER SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES BEING THE "PROMOTER OFFERED SHARES"), UP TO 5,860,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY WAGNER LIMITED, UP TO 1,471,575 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY WESTBRIDGE CROSSOVER FUND, LLC, UP TO 161,070 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SANJEEVINI INVESTMENT HOLDINGS (COLLECTIVELY, THE "INVESTOR SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES BEING THE "INVESTOR OFFERED SHARES", AND WITH THE PROMOTER SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS") (THE "OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE UP TO 14.10% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.</p>	
THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH.	
<p>THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY, THE PROMOTER SELLING SHAREHOLDERS AND THE INVESTOR SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN [●] EDITION OF [●] AND [●] EDITION OF [●], BEING AN ENGLISH AND A HINDI NATIONAL DAILY NEWSPAPER, EACH WITH WIDE CIRCULATION, RESPECTIVELY, AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES.</p>	
<p>In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. Any revision in the 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 Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to Self Certified Syndicate Banks ("SCSBs") and Registered Brokers.</p>	
<p>Pursuant to Rule 19(2)(b) of the Securities Contracts Regulation Rules, 1957, as amended ("SCRR") read with Regulation 41 of the SEBI Regulations, the Offer is being made for at least 10% 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 Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations"), wherein 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIB Portion"). Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them 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 from them at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis. All investors, other than Anchor Investors, can participate through the Applications Supported by Blocked Amount ("ASBA") process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. However, QIBs (excluding Anchor Investors) and Non-Institutional Bidders are mandatorily required to submit their Bids by way of ASBA only. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" on page 405.</p>	
RISKS IN RELATION TO FIRST OFFER	
<p>This being the first public issue of the Issuer, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value of our Equity Shares. The Offer Price as determined and justified by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers in accordance with the SEBI Regulations and as stated in the section titled "Basis for Offer Price" on page 93 should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.</p>	
GENERAL RISKS	
<p>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 entire 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 the Issuer and this Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 15.</p>	
ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY	
<p>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 this Offer, which is material in the context of this 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. Each of the Promoter Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements specifically made by the respective Promoter Selling Shareholder in this Draft Red Herring Prospectus to the extent of information specifically pertaining to the respective Promoter Selling Shareholder and their respective proportion of the Promoter Offered Shares. Each of the Investor Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements specifically made by the respective Investor Selling Shareholder in this Draft Red Herring Prospectus to the extent of information specifically pertaining to the respective Investor Selling Shareholder and their respective proportion of Investor Offered Shares.</p>	
LISTING	
<p>The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received in-principle approvals from the BSE and the NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, the [●] shall be the Designated Stock Exchange.</p>	
BOOK RUNNING LEAD MANAGERS	REGISTRAR TO THE OFFER
 Kotak Mahindra Capital Company Limited 27 BKC, C-27, "G" Block Bandra Kurla Complex, Bandra (East) Mumbai 400 051, Maharashtra, India Telephone: +91 22 4336 0000 Facsimile: +91 22 6713 2447 E-mail: drlal ipo@kotak.com Investor Grievance E-mail: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Mr. Ganesh Rane SEBI Registration No.: INM000008704	 Citigroup Global Markets India Private Limited 12 th Floor, First International Financial Centre Bandra Kurla Complex Mumbai 400 051, Maharashtra, India Telephone: +91 22 6175 9999 Facsimile: +91 22 6175 9897 E-mail: drlal ipo@citi.com Investor Grievance E-mail: investors.cgmib@citi.com Website: http://www.online.citibank.co.in/rhtm/citigroupglo balscreen1.htm Contact Person: Mr. Rahul Nadkarni SEBI Registration No.: INM000010718
 Link Intime India Private Limited C-13, Pannalal Silk Mills Compound L.B.S. Marg Bhandup (West) Mumbai 400 078, Maharashtra, India Telephone: +91 22 6171 5400 Facsimile: +91 22 2596 0329 E-mail: drlal ipo@linkintime.co.in Investor Grievance E-mail: drlal ipo@linkintime.co.in Website: www.linkintime.co.in Mobile App: blink Contact Person: Ms. Shanti Gopalkrishnan SEBI Registration No.: INR000004058	
BID/OFFER PROGRAMME*	
FOR ALL BIDDERS:	OFFER OPENS ON [●]
FOR QIBs:	OFFER CLOSES ON [●]
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS:**	OFFER CLOSING ON [●]

* Our Company, Promoter Selling Shareholders and Investor Selling Shareholders may, in consultation with the Book Running Lead Managers consider participation by Anchor Investors. The Anchor Investors shall Bid during the Anchor Investor Bidding Date, i.e., one Working Day prior to the Bid/Offer Opening Date.

** Our Company, Promoter Selling Shareholders and Investor Selling Shareholders may, in consultation with the Book Running Lead Managers, decide to close Bidding by QIBs one day prior to the Bid/Offer Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the meanings set forth below in this Draft Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, re-enactments and modifications notified thereto. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

Unless the context otherwise indicates or implies, all references to “we”, “our” or “us” are to our Company, together with its Subsidiaries (as defined below) on a consolidated basis.

Company Related Terms

Term	Description
“Articles” or “Articles of Association” or “AoA”	The articles of association of our Company, as amended.
Auditors	The statutory auditors of our Company, being M/s S.R. Batliboi & Co. LLP, Chartered Accountants.
Audit Committee	The audit committee of our Board of Directors.
“Board” or “Board of Directors” or “our Board”	The board of directors of our Company, as duly constituted from time to time including any duly constituted committees thereof.
“CCPS” or “Preference Shares”	The compulsorily convertible preference shares of our Company of face value ₹ 10 each.
Corporate Office	The corporate office of our Company, located at 12 th Floor, Tower B, SAS Tower, Sector 38, Medicity, Gurgaon 122 001, Haryana, India.
CSR Committee	The corporate social responsibility committee of our Board.
Director(s)	The director(s) on our Board.
Employee Welfare Trust	Dr. Lal PathLabs Pvt. Ltd. Employee Welfare Trust.
Equity Listing Agreements	Equity listing agreements to be entered into by our Company with the Stock Exchanges for listing of the Equity Shares.
Equity Shares	Equity shares of our Company of face value of ₹ 10 each.
ESOP 2010	Dr. Lal PathLabs Pvt. Ltd. Employee Stock Option Plan 2010.
ESPS 2015	Dr. Lal PathLabs Stock Grant Scheme 2015.
Investor Selling Shareholders	Wagner, WCF and SIH.
IPO Committee	The committee constituted by our Board for the Offer, comprising of (Hony.) Brig. Dr. Arvind Lal, Dr. Vandana Lal, Dr. Om Prakash Manchanda, Mr. Naveen Wadhera and Mr. Sandeep Singhal as members.
Key Managerial Personnel	The key managerial personnel as listed in the section titled “ <i>Our Management</i> ” on page 170.
“Memorandum” or “Memorandum of Association” or “MoA”	The memorandum of association of our Company, as amended.
National Reference Laboratory	The national reference laboratory of our Company, situated at E-2 Block, Sector 18, Rohini, New Delhi 110 089.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board.
“Our Company” or “the Company” or “the Issuer”	Dr. Lal PathLabs Limited, a public limited company incorporated in India under the Companies Act, 1956.
Promoters	(Hony.) Brig. Dr. Arvind Lal, Dr. Vandana Lal and Eskay House (HUF).
Promoter Group	The persons and entities constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI Regulations and as set out in the section titled “ <i>Our Promoters and Promoter Group</i> ” on page 190.
Promoter Selling Shareholders	(Hony.) Brig. Dr. Arvind Lal, Dr. Vandana Lal, Eskay House (HUF) and Mr. Anjaneya Lal.
Registered Office	The registered office of our Company, located at Eskay House 54, Hanuman Road, New Delhi 110 001, India.
Selling Shareholders	The Promoter Selling Shareholders and Investor Selling Shareholders.
SIH	Sanjeevini Investment Holdings.
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Board.
Subsidiaries	Subsidiaries of our Company as set out in the section titled “ <i>History and Certain Corporate</i> ” on page 190.

Term	Description
	<i>Matters – Subsidiaries of our Company” on page 165.</i>
Wagner	Wagner Limited.
WCF	WestBridge Crossover Fund, LLC.
WestBridge Selling Shareholders	WCF and SIH.

Offer Related Terms

Term	Description
“Allot” or “Allotment” or “Allotted”	The allotment and transfer of the respective proportion of Equity Shares offered by the respective Promoter Selling Shareholders and the respective Investor Selling Shareholders pursuant to the Offer for Sale to successful bidders.
Allotment Advice	The advice or intimation of Allotment of the Equity Shares sent to the successful Bidders after the Basis of Allotment has been approved by the Designated Stock Exchange, in accordance with the Book Building Process.
Allottee	A successful Bidder to whom an Allotment is made.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with SEBI Regulations and who has Bid for an amount of at least ₹ 100 million.
Anchor Investor Allocation Notice	The note or advice or intimation of allocation of the Equity Shares sent to the Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Allocation Price, including any revisions thereof.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated according to the terms of the Red Herring Prospectus and Prospectus to the Anchor Investors, which will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the BRLMs on the Anchor Investor Bidding Date.
Anchor Investor Bidding Date	The day, 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 Offer Price	The final price at which Allotments will be made to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which shall be higher than or equal to the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the BRLMs.
Anchor Investor Pay-in Date	In case the Anchor Investor Offer Price is higher than the Anchor Investor Allocation Price, the date as mentioned in the Anchor Investor Allocation Notice.
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated to Anchor Investors by our Company, the respective Promoter Selling Shareholders and the respective Investor Selling Shareholders, in consultation with the BRLMs on a discretionary basis in accordance with SEBI Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received by domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI Regulations.
“ASBA” or “Application Supported by Blocked Amount”	The application (whether physical or electronic) used by an ASBA Bidder to make a Bid authorizing the SCSB to block the Bid Amount in the relevant ASBA Account. ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Bidders participating in the Offer. Anchor Investors are not permitted to participate through the ASBA process.
ASBA Account	Account maintained with an SCSB which will be blocked by such SCSB to the extent of the Bid Amount of an ASBA Bidder as per the Bid cum Application Form submitted by the ASBA bidder.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidder	Any Bidder, other than Anchor Investors, in this Offer who Bids through ASBA process.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders, as described in “Offer Procedure – Allotment Procedure and Basis of Allotment” on page 450.
Bid(s)	An indication by a Bidder to make an offer during the Anchor Investor Bidding Date or Bid/Offer Period, pursuant to submission of the Bid cum Application Form to subscribe for Equity Shares, at a price within the Price Band, including all revisions and modifications thereto, in terms of the Red Herring Prospectus and the Bid cum Application Form.
Bidder	A 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 ASBA Bidder and Anchor Investor.
Bidding	The process of making a Bid.

Term	Description
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut-Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Offer.
Bid cum Application Form	The form in terms of which a Bidder (including ASBA Bidder) makes a Bid in terms of the Red Herring Prospectus which will be considered as an application for Allotment.
Bid/Offer Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate, Registered Brokers and the Designated Branches of SCSBs will not accept any Bids, and which shall be notified in [●] edition of [●] and [●] edition of [●], being an English and a Hindi national daily newspaper, each with wide circulation, respectively, and in case of any revision, the extended Bid/Offer Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations. Further, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the BRLMs, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI Regulations.
Bid/Offer Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate, Registered Brokers and the Designated Branches of SCSBs shall start accepting Bids, and which shall be the date notified in [●] edition of [●] and [●] edition of [●], being an English and a Hindi national daily newspaper, each with wide circulation, respectively, and in case of any revision, the extended Bid/Offer Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations.
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date (inclusive of both dates) during which Bidders (including ASBA Bidders), can submit their Bids, including any revisions thereof. Provided however that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the Book Running Lead Managers, decide to close the Bid/Offer period for QIBs one day prior to the Bid/Offer Closing Date.
Bid Lot	[●] Equity Shares.
Book Building Process	The book building process as described in Part A of Schedule XI of the SEBI Regulations in terms of which the Offer is being made.
“Book Running Lead Managers” or “BRLMs”	Book running lead managers to this Offer, being Kotak Mahindra Capital Company Limited and Citigroup Global Markets India Private Limited.
Cap Price	The higher end of the Price Band and any revisions thereof, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted.
Citi	Citigroup Global Markets India Private Limited.
Cut-Off Price	The Offer Price, which shall be any price within the Price Band as determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the BRLMs, at which only Retail Individual Bidders are entitled to Bid for Equity Shares of an aggregate amount not exceeding ₹ 200,000. No other category of Bidders is entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders, including address, name of the Bidder’s father/husband, investor status, occupation and bank account details.
Designated Branches	Such branches of the SCSBs with which an ASBA Bidder, not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, may submit the Bid cum Application Forms, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries , and at such other websites as may be prescribed by SEBI from time to time.
Designated Date	The date on which funds are transferred from the Escrow Accounts to the Public Offer Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the ASBA Bidders to the Public Offer Account, as the case may be, in terms of the Red Herring Prospectus, after the Prospectus is filed with the RoC, following which the Equity Shares shall be Alloted to successful Bidders pursuant to the Offer for Sale.
Designated Stock Exchange	[●].
“Draft Red Herring Prospectus” or	This draft red herring prospectus dated September 12, 2015, prepared and issued by our

Term	Description
“DRHP”	Company and filed with SEBI in accordance with the SEBI Regulations which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer.
Eligible NRI	An NRI from a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to Bid on the basis of the terms thereof.
Escrow Account(s)	The accounts opened for this Offer with Escrow Collection Banks and in whose favour cheques or demand drafts are issued by Bidders (excluding ASBA Bidders) in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	The agreement to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the Escrow Collection Banks, the Refund Bank(s), the BRLMs and the Syndicate Members for the collection of Bid Amounts and for remitting refunds, if any, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
“Escrow Collection Banks” or “Bankers to the Offer”	The banks which are clearing members and registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, with whom Escrow Accounts will be opened for this Offer, in this case being [●].
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, subject to any revisions thereof, not being less than the face value of Equity Shares and at or above which the Offer Price and Anchor Investor Offer Price will be finalized and below which no Bids will be accepted, in this case being ₹ [●].
“GID” or “General Information Document”	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, and included under the section titled “Offer Procedure” on page 405.
Investor Offered Shares	Equity Shares being offered for sale by the Investor Selling Shareholders in the Offer.
Kotak	Kotak Mahindra Capital Company Limited.
Mutual Fund Portion	5% of the Net QIB Portion, available for allocation to Mutual Funds out of the Net QIB Portion on a proportionate basis.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
“Non-Institutional Bidders” or “Non-Institutional Investors” or “NIIs”	All Bidders including Category III FPIs, that are not QIBs or Retail Individual Investors and who have Bid for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of 1,740,000 Equity Shares, available for allocation to Non-Institutional Bidders, on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Offer	Initial public offering of up to 11,600,000 Equity Shares for cash at a price of ₹ [●] per Equity Share, aggregating up to ₹ [●] million through the Offer for Sale.
Offer Agreement	The agreement dated September 12, 2015, entered into between our Company, the Selling Shareholders and the BRLMs pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer for Sale	The offer for sale of up to 11,600,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders, of which, as severally and not jointly, specifically confirmed by each of the Selling Shareholders: (i) up to 1,261,996 Equity Shares aggregating up to ₹ [●] million are being offered by (Hony.) Brig. Dr. Arvind Lal, (ii) up to 2,056,747 Equity Shares aggregating up to ₹ [●] million are being offered by Dr. Vandana Lal, (iii) up to 238,226 Equity Shares aggregating up to ₹ [●] million are being offered by Eskay House (HUF), (iv) up to 550,386 Equity Shares aggregating up to ₹ [●] million are being offered by Mr. Anjaneya Lal, (v) up to 5,860,000 Equity Shares aggregating up to ₹ [●] million are being offered by Wagner, (vi) up to 1,471,575 Equity Shares aggregating up to ₹ [●] million are being offered by WCF, and (vii) up to 161,070 Equity Shares aggregating up to ₹ [●] million are being offered by SIH, in terms of the Red Herring Prospectus.
Offer Price	The price which would be determined on the Pricing Date, at which Allotments will be made to successful Bidders, as determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the BRLMs in accordance with the Book Building Process and the Red Herring Prospectus. Unless otherwise stated or the context otherwise implies, the term Offer Price refers to the Offer Price applicable to investors other than Anchor Investors.
Offer Proceeds	The proceeds of this Offer based on the total number of Equity Shares Allotted under this Offer and the Offer Price.
Price Band	The price band ranging from the Floor Price of ₹ [●] per Equity Share to the Cap Price of ₹ [●]

Term	Description
	per Equity Share, including any revisions thereof. The Price Band and minimum Bid lot decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the BRLMs, and advertised [●] edition of [●] and [●] edition of [●], being an English and a Hindi national daily newspaper, each with wide circulation, respectively, where our Registered Office is situated, at least five Working Days prior to the Bid/Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their website.
Pricing Date	The date on which the Offer Price and Anchor Investor Offer Price is determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the BRLMs.
Promoter Offered Shares	Equity Shares being offered for sale by the Promoter Selling Shareholders in the Offer.
Prospectus	The prospectus to be filed with the RoC for this Offer on or after the Pricing Date, including any addenda or corrigenda thereto, in accordance with Section 26 of the Companies Act, 2013 and the SEBI Regulations containing, <i>inter-alia</i> , the Offer Price, Anchor Investor Offer Price, size of the Offer and certain other information.
Public Offer Account	A bank account opened with the Bankers to the Offer under section 40 of the Companies Act, 2013 to receive money from the Escrow Accounts on the Designated Date and where the funds shall be transferred by the SCSBs from the ASBA Accounts.
“QFIs” or “Qualified Foreign Investors”	Qualified foreign investors as defined in the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
“QIBs” or “Qualified Institutional Buyers”	Qualified foreign investors as defined under Regulation 2(1)(zd) of the SEBI Regulations.
QIB Bid/Offer Closing Date	In the event our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the BRLMs, decide to close Bidding by QIBs one day prior to the Bid/Offer Closing Date, the date one day prior to the Bid/Offer Closing Date; otherwise it shall be the same as the Bid/Offer Closing Date.
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being 50% of the Offer or 5,800,000 Equity Shares, available for allocation to QIBs (including Anchor Investors) on a proportionate basis, (in which allocation shall be on a discretionary basis, as determined by our Company, the respective Promoter Selling Shareholders and the respective Investor Selling Shareholders, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price.
“Red Herring Prospectus” or “RHP”	The red herring prospectus to be issued by our Company including any addenda or corrigenda thereto, in accordance with Section 32 of the Companies Act, 2013 and the SEBI Regulations which will not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer.
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds of the whole or part of the Bid Amounts (excluding for the ASBA Bidders), if any, shall be made.
Refund Banker(s)	[●].
Refunds through electronic transfer of funds	Refunds through NECS, NEFT, direct credit or RTGS, as applicable.
Registered Broker	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate.
“Registered Broker Centre” or “Specified Location”	A broker centre of the stock exchanges with broker terminals, wherein a Registered Broker may accept Bid cum Application Forms, details of which are available on the websites of the Stock Exchanges, and at such other websites as may be prescribed by SEBI from time to time.
“Registrar” or “Registrar to the Offer”	Link Intime India Private Limited.
Registrar Agreement	The agreement dated September 11, 2015, entered into between our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar pertaining to the Offer.
“Retail Individual Bidders” or “Retail Individual Investors” or “RII”	Bidders (including HUFs and Eligible NRIs), who have Bid for an amount less than or equal to ₹ 200,000 in any of the bidding options in the Offer.
Retail Portion	The portion of the Offer being not less than 35% of the Offer, consisting of 3,465,630 Equity Shares, available for allocation to Retail Individual Bidders as per the SEBI Regulations.
Revision Form	The form used by the Bidders, other than QIBs and Non-Institutional Bidders, to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable.
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is

Term	Description
	available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries , or at such other website as may be prescribed by SEBI from time to time.
Stock Exchanges	The BSE and the NSE.
Sub Syndicate	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect Bid cum Application Forms.
Syndicate Agreement	The agreement to be entered into amongst the members of the Syndicate, our Company, the Selling Shareholders and the Registrar in relation to collection of Bids in this Offer (excluding Bids from ASBA Bidders procured directly by SCSBs and Bids procured by Registered Brokers).
Syndicate Bidding Centres	Syndicate and Sub Syndicate centres established for acceptance of the Bid cum Application Form and Revision Forms.
Syndicate Members	Intermediaries registered with the SEBI who are permitted to carry out activities as underwriters, in this case being [●].
“Syndicate” or “members of the Syndicate”	The BRLMs and the Syndicate Members.
“Transaction Registration Slip” or “TRS”	The slip or document issued by a Syndicate/Sub Syndicate, a Registered Broker or an SCSB (only on demand), as the case may be, to the Bidder as proof of uploading of a Bid.
Underwriters	[●].
Underwriting Agreement	The agreement to be entered into between the Underwriters, our Company, the Selling Shareholders and the Registrar on or immediately after the Pricing Date but prior to filing of Prospectus.
Working Days	All days, other than a Sunday or a public holiday on which commercial banks 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. For the purpose of the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working Days” shall mean all days excluding Sundays and bank holidays in India, in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010.

Conventional/General Terms, Abbreviations and Reference to Other Business Entities

Abbreviation/ Term	Full Form/ Description
AIFs	Alternative investment funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
AGM	Annual general meeting.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
BSE	BSE Limited.
CAGR	Compound annual growth rate is the mean annual growth rate of a figure over a specified period of time longer than one year.
Category II FPI	FPIs who are registered as “Category II foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Category III FPI	FPIs who are registered as “Category III foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
CDSL	Central Depository Services (India) Limited.
CIN	Corporate identity number.
Client ID	Client identification number of the Bidder’s beneficiary account.
Companies Act, 2013	Companies Act, 2013, to the extent notified.
Consolidated FDI Policy	The current consolidated FDI Policy, effective from May 12, 2015, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
“Depository Participant” or “DP”	A depository participant registered with SEBI under the Depositories Act.
DIN	Director identification number.
DP	Depository participant.
DP ID	Depository participant’s identification.
EBITDA	EBITDA consists of net profit/ (loss) for the period before depreciation and amortization

Abbreviation/ Term	Full Form/ Description
	expenses, interest income, finance costs and tax expenses.
EBITDA Margin	EBITDA Margin consists of EBITDA divided by total revenue for the year/period.
ECS	Electronic clearing system.
EGM	Extraordinary general meeting.
EPS	Earnings per share.
ESOS Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
FCNR Account	Foreign Currency Non-Resident Account, and has the meaning ascribed to the term “FCNR(B) account” under the Foreign Exchange Management (Deposit) Regulations, 2000.
FDI	Foreign direct investment, as laid down in the Consolidated FDI Policy dated May 12, 2015.
FEMA	Foreign Exchange Management Act, 1999, as amended, together with rules and regulations framed thereunder.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
FII	Foreign Institutional Investors as defined under the SEBI FPI Regulations.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
FIPB	Foreign Investment Promotion Board.
“Fiscal Year” or “Financial Year” or “FY”	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
“Foreign Portfolio Investor” or “FPI”	Foreign portfolio investor registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
FVCI	Foreign venture capital investors (as defined under the SEBI (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
GIR Number	General Index Register Number.
“GoI” or “Government of India” or “Central Government”	The Government of India.
HUF	Hindu undivided family.
IFRS	International Financial Reporting Standards.
IND(AS)	IFRS based / synchronized accounting standards in India.
Indian GAAP	Generally accepted accounting principles in India.
IPO	Initial public offer.
IRDA	Insurance Regulatory and Development Authority.
IT	Information Technology.
“IT Act” or “Income Tax Act”	Income Tax Act, 1961.
Ltd.	Limited.
MCA	Ministry of Corporate Affairs, GoI.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
NAV	Net Asset Value.
NECS	National Electronic Clearing System.
NEFT	National Electronic Funds Transfer.
No.	Number.
NRE Account	Non-Resident External Account established and operated in accordance with FEMA.
NRI	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
NRO Account	Non-Resident Ordinary Account established and operated in accordance with FEMA.
“NR” or “Non Resident”	A person resident outside India, as defined under FEMA, including an Eligible NRI and an FII.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCBs	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 was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA.
p.a.	Per annum.
PAN	Permanent account number allotted under the IT Act.
PAT	Profit after tax.
PBT	Profit before tax.

Abbreviation/ Term	Full Form/ Description
P/E Ratio	Price/earnings ratio.
Pvt.	Private.
RBI	Reserve Bank of India.
“RoC” or “Registrar of Companies”	Registrar of Companies, National Capital Territory of Delhi and Haryana.
“₹” or “Rupees” or “Rs.”	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” or “Securities and Exchange Board of India”	The Securities and Exchange Board of India established under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992.
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Securities Act	(U.S.) Securities Act of 1933, as amended.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Sq. ft.	Square foot.
Sq. mt.	Square metre.
State government	The government of a state of Republic of India.
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, as repealed, and who can continue to buy, sell or otherwise deal in securities under the SEBI (Foreign Portfolio Investor) Regulations, 2014.
Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
TAN	Tax deduction account number allotted under the IT Act.
TIN	Taxpayer identification number.
“U.S.” or “US” or “U.S.A” or “United States”	The United States of America, together with its territories and possessions.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be.

Industry/Project Related Terms, Definitions and Abbreviations

Abbreviation/ Term	Full Form/ Description
AMI	Acute myocardial infarction
BARC	Bhabha Atomic Research Center
BMW Rules/ Biomedical Waste Rules	Biomedical Waste (Management and Handling) Rules, 1998
CAP	College of American Pathologists
CCI	Competition Commission of India
CERR Act	Clinical Establishments (Registration and Regulation) Act, 2010
CECG Rules	Clinical Establishments (Central Government) Rules, 2012
CK-MB	Creatine kinase
Clinical Establishment Act	Clinical Establishments (Registration and Regulation) Act, 2010
Combination Regulation Provisions	the provisions under the Competition Act in relation to combinations effective from June 1, 2011
Competition Act	The Competition Act, 2002
CRISIL Research	An independent research house, being a division of CRISIL Limited
CSSD	Central sterile and supply department
CT scan	Computed tomography scan
DALYs	Disability-adjusted life years
DDA	Delhi Development Authority
ERP	Enterprise resource planning
GDP	Gross domestic product
GST	Comprehensive national goods and services tax
HDL	High density lipoprotein

Abbreviation/ Term	Full Form/ Description
HIV	Human immunodeficiency virus
ICT	Information and communication technology
ICMR	Indian Council of Medical Research
IFRS	international financial reporting standards
IPD	In-patient department
ISO	International Organization for Standardization
IVD	In vitro diagnostics
LDL	Low density lipoprotein
LIMS	Laboratory information management system
MAT	Minimum alternate tax
Member States	Member states of the European Union
MRI	Magnetic resonance imaging
NABL	National Accreditation Board for Testing and Calibration Laboratories
OFAC	the U.S. Treasury Department's Office of Foreign Assets Control
OPD	Out-patient department
PET-CT	Positron emission tomography – computed tomography
PDA	Personal digital assistant
POCT	Point-of-care testing
SBU	Strategic business units
SDA	Sample distribution area
SRA	Sample receiving area
UNFPA	United Nations Population Fund
VPN	Virtual private network
WHO	World Health Organization

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have the same meaning as is assigned to such words and expressions under the SEBI Regulations, the Companies Act, 1956, the Companies Act, 2013, the SEBI Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in the sections titled, “*Statement of Tax Benefits*”, “*Financial Statements*”, “*Regulations and Policies*”, “*History and Certain Corporate Matters*”, “*Outstanding Litigation and Material Developments*”, “*Offer Procedure*” and “*Main Provisions of the Articles of Association*” on pages 96, 196, 150, 157, 358, 405 and 461, respectively, shall have the meanings given to such terms in these respective sections.

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

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

Currency and Units of Presentation

All references to “Rupees”, “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “U.S. Dollars” or “USD” are to United States Dollars, the official currency of the United States of America.

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of SEBI Regulations. Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, are as follows:

Currency	Exchange rate				
	Exchange rate as on March 31, 2015	Exchange rate as on March 28, 2014**	Exchange rate as on March 28, 2013*	Exchange rate as on March 31, 2012	Exchange rate as on March 31, 2011
USD	62.50	59.89	54.28	50.88	44.59
Euro	67.20	82.30	69.50	67.92	63.39
Nepalese Rupee	0.623	0.625	0.626	0.622	0.625

Source: Bloomberg

*Not available for March 29, 2014, March 30, 2014 and March 31, 2014 as these were non-trading days

**Not available for March 29, 2013, March 30, 2013 and March 31, 2013 as these were non-trading days

***Not available for March 31, 2012 as it was a non-trading day

Such conversions should not be considered as a representation that such currency amounts have been, could have been or could be converted into Rupees at any particular rate, the rates stated above or at all.

Financial and Other Data

Unless stated or the context requires otherwise, our financial information in this Draft Red Herring Prospectus is derived from our consolidated financial statements, as restated, as of and for the years ended March 31, 2011, March 31, 2012, March 31, 2013, March 31, 2014 and March 31, 2015, our unconsolidated financial statements, as restated, as of and for the years ended March 31, 2011, March 31, 2012, March 31, 2013, March 31, 2014 and March 31, 2015 and the related notes, schedules and annexures thereto included elsewhere in this Draft Red Herring Prospectus, which have been prepared in accordance with applicable provisions of the Companies Act, 1956, Companies Act, 2013 and Indian GAAP, and restated in accordance with the SEBI Regulations.

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

We prepare our financial statements in accordance with Indian GAAP, which differs in some material respects from IFRS and U.S. GAAP. Accordingly, the degree to which our restated consolidated financial statements and restated unconsolidated financial statements, as included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader’s level of familiarity with the Companies Act, 2013, Indian GAAP and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Furthermore, no attempt has been made to identify disclosures, presentation or classification of differences that would affect the manner in which transactions and events are reflected in our financial statements or the respective notes thereunder. We urge you to consult your own advisors regarding such differences and their impact on our financial data. For details, see “Risk Factors – Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors’ assessments of our financial

condition.” on page 40.

In this Draft Red Herring Prospectus, all the figures in this document have been presented in millions or in whole numbers where the numbers have been too small to present in million, unless stated otherwise. One million represents 1,000,000 and one billion represents 1,000,000,000. Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points. However, certain figures in percentage and certain figures not derived from our restated financial statements have been rounded off to one decimal point. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Certain data included in this section in relation to certain operating metrics, financial and other business information and data (such as the number of patients, clinical laboratories, patient service centers and pickup points, as well as gross revenue for various geographical segments, among others) have been reviewed and verified by Nangia & Co., Chartered Accountants. However, data in relation to increases in walk-in patients from Fiscal Year 2013 to Fiscal Year 2015, material tests in terms of total consolidated revenue and total number of employees and consultants have been solely based on internal management data and has not been independently verified by the BRLMs or any independent accounting firm. Further, we have relied on publicly available information as well as a certificate provided by Dr. Arvind Lal, one of the Promoters of our Company, in relation to disclosures made in this Draft Red Herring Prospectus on commencement of business of providing pathological services and maintaining a blood bank in the year 1949 by his father and his appointment as the honourary physician to the President of India in 2001.

Market and Industry Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified and neither we, nor any of the respective Promoter Selling Shareholders, the respective Investor Selling Shareholders or the BRLMs, jointly or severally, make any representation as to its accuracy or completeness. 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 we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section “*Risk Factors*” on page 15.

Additionally, certain industry related information in the sections titled “*Summary of Industry*”, “*Summary of Business*”, “*Industry Overview*”, “*Our Business*” and “*Management's Discussion and Analysis of Financial Condition and Results of Operation*” on pages 48, 50, 112, 134 and 335, respectively, has been derived from an industry report titled “*Assessment of Diagnostics Industry in India*”, prepared by CRISIL Research, an independent research house, pursuant to an engagement with our Company, which contains the following disclaimer:

“CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any company covered in the Report. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and

not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

For further details, see *"Risk Factors – This Draft Red Herring Prospectus contains information from an industry report which we have commissioned from CRISIL Research."* on page 30.

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 “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause our 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. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Our ability to compete effectively in the highly competitive business environment that we operate in;
- Establishing and maintaining the trust and confidence of our customers in our “Dr Lal PathLabs” brand and quality of our diagnostic healthcare services provided under it;
- Realization of the anticipated benefits of our strategy to increase the presence of our network across India as well as of potential future investments or acquisitions;
- Business interruptions at our National Reference Laboratory, if any;
- A significant portion of our business coming from Northern and Eastern India;
- Performance of franchisees and business partners;
- Technological advancement leading to more cost-effective technologies or non-invasive diagnostic healthcare tests;
- Various challenges currently faced by the healthcare industry in India;
- Reliance on our information technology platform for the proper operation of our business and to protect customers’ personal information; and
- Customer complaints and litigation relating to our diagnostic healthcare services.

For a further discussion of factors that could cause our actual results to differ, see the sections titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 15, 134, and 335, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Only statements and undertakings which are specifically “confirmed” or “undertaken” by each of the Promoter Selling Shareholders in this Draft Red Herring Prospectus shall be deemed to be “statements and undertakings made by the respective Promoter Selling Shareholder”. All other statements and/or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company and/or any of the other Selling Shareholders (as the case may be) even if the same relates to the respective Promoter Selling Shareholder. Further, only statements and undertakings which are specifically “confirmed” or “undertaken” by each of the Investor Selling Shareholders in this Draft Red Herring Prospectus shall be deemed to be “statements and undertakings made by the respective Investor Selling Shareholder”. All other statements and/or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company and/or any of the other Selling Shareholders (as the case may be) even if the same relates to the respective Investor Selling Shareholder.

Forward-looking statements speak only as of the date of the Draft Red Herring Prospectus. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information, and are not a guarantee of future performance. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, the respective Promoter Selling Shareholders, the respective Investor Selling Shareholders, our Directors, our officers, the BRLMs or any of their respective affiliates or associates has any obligation to update or otherwise revise any statement 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. Our Company and the BRLMs

will ensure that investors in India are informed of material developments to the statements and undertakings specifically confirmed by each of them, respectively in the Draft Red Herring Prospectus as required under applicable law or as may be relevant to the Offer, until the commencement of listing and trading of Equity Shares on the Stock Exchanges. Each of the Promoter Selling Shareholders will ensure that investors in India are informed of material developments in relation to the statements and undertakings specifically confirmed by each of them, respectively in this Draft Red Herring Prospectus as required under applicable law or as may be relevant to the Offer, until the commencement of listing and trading of Equity Shares on the Stock Exchanges. Each of the Investor Selling Shareholders will ensure that investors in India are informed of material developments in relation to the statements and undertakings specifically confirmed by such Investor Selling Shareholder, respectively in this Draft Red Herring Prospectus as required under applicable law or as may be relevant to the Offer, until the commencement of listing and trading of Equity Shares on the Stock Exchanges. Further, in accordance with Regulation 51A of the SEBI Regulations, our Company may be required to undertake an annual update of disclosures made in this Draft Red Herring Prospectus and make it publicly accessible in the manner specified by SEBI.

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 our Equity Shares. The risks described below are not the only risks relevant to us, our Equity Shares, the industry in which we operate or India and the other regions in which we operate. To obtain a more complete understanding of our Company, prospective investors should read this section in conjunction with the sections entitled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” on pages 134 and 335, respectively, as well as the financial and other information contained in this Draft Red Herring Prospectus.

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the trading price of our Equity Shares could decline, and all or part of your investment may be lost. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See the section entitled “Forward-Looking Statements” on page 13.

In this section, unless the context otherwise requires, references to the “Company” or to “we,” “us” and “our” refers to Dr Lal PathLabs Limited and its Subsidiaries on a consolidated basis. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from the restated consolidated financial statements of our Company.

Internal Risks

Risks Relating to Our Company

1. We operate in a highly competitive business environment, and our inability to compete effectively could have a material and adverse impact on our business.

The diagnostic healthcare services industry in India is highly competitive and has low barriers to entry. Factors upon which we compete with other diagnostic healthcare service providers include, among others, our ability to offer services similar to, or superior than, those of our competitors, as well as at prices comparable to that of our competitors; the breadth of our testing offerings; the geographical reach of our network; our ability to process samples and report data accurately and in a timely manner; our historical experience and customer relationships; and the quality of our facilities. Moreover, the competitive business environment of our industry is compounded by the fact that we compete with all diagnostic healthcare service providers in India, including, among others, hospital-based laboratories; independent clinical laboratories; smaller-scale providers or diagnostic healthcare companies with a more established local or regional presence in certain geographies; international competitors that may establish, or expand existing operations in India; and new entrants, including other healthcare providers, pathology and radiology laboratories and preventive care providers, each of which already are located in regions in which we operate or will operate in the future. Our inability to compete effectively upon any one or more of these and other factors, as well as with the multitude of organized and unorganized players in our industry, could have a material and adverse effect on our business.

Moreover, we anticipate the competitive dynamics of our industry, particularly pricing-related competition, will intensify in the coming years. For example, as a result of the diagnostic healthcare services industry receiving substantial investments in recent years, larger-scale diagnostic healthcare providers are able to increase cost efficiencies afforded by automated testing, which results in their ability to provide more favorable pricing. New or existing competitors also may price their services at a significant discount to ours, or offer greater convenience or better services or amenities than we provide. An increase in the number of comparable diagnostic healthcare facilities may exert additional pricing pressures on some or all of our services. Moreover, pricing-related competition may result in fee schedules that vary in different areas of India, which could, in turn, lead to dissatisfaction among customers. In addition, hospitals that have physician practices generally require these physicians to refer tests to the given hospital’s laboratory. We also may face changes in fee schedules, competitive bidding for diagnostic

healthcare services or other actions or pressures that reduce payment schedules, all as a result of increased or additional competition.

We cannot assure you that we will be able to compete effectively in our industry. If for any reason we are unable to compete effectively, the growth of our business could decline, or may contract, and our financial condition, results of operations and cash flows could be materially and adversely affected.

For further information regarding the highly competitive nature of our industry, see the sections entitled “*Our Business—Competition*,” “*Industry Overview—Indian diagnostics industry—Intense competition in the industry*” and “*Industry Overview—Indian diagnostics industry—Key risks—Intense competition*” on pages 147, 127 and 129.

2. *The trust and confidence of our customers in the “Dr Lal PathLabs” brand are fundamental to our business, and any failure to establish or maintain confidence in our brand and the quality of our diagnostic healthcare services provided under it could materially and adversely affect our business.*

The reputation of the “Dr Lal PathLabs” brand is fundamental to all aspects of our business. The “Dr Lal PathLabs” brand, in turn, is dependent upon the quality of, and customer confidence in, our diagnostic healthcare services, which are impacted by several factors, including our ability to maintain or improve the quality and efficiency of our existing diagnostic healthcare tests and services and the performance of our franchisees and business partners, to introduce new tests and services with the same levels of quality and efficiency and to maintain good relationships with and acceptance by healthcare professional and other healthcare providers. In addition, the quality and reputation of our diagnostic healthcare services can be adversely impacted if our medical professionals, technicians and staff are not properly and adequately trained; if they make errors in the handling and labelling of patient samples and specimens as well as in the operation of our complex medical equipment, even if properly trained; if they misuse or ineffectively use the complex medical equipment in our laboratories; or if they inadequately extract samples and specimens from patients causing bodily harm or affecting our ability to properly conduct the required testing. Similarly, the substantial majority of our patient service centers are run by franchisees that operate under the “Dr Lal PathLabs” brand. If our franchisees or other business partners perform inadequately, fail to meet our quality standards, engage in improper business practices or otherwise act in any way that may harm our brand, it could also adversely affect our reputation as well as our business, financial condition and results of operations.

Furthermore, the delivery of diagnostic healthcare services involves certain inherent risks. Our diagnostic healthcare services are intended to provide information to healthcare providers when providing patient care and to individuals caring for their own health or seeking to prevent disease and other health conditions. Any delays or inaccuracies in the results we provide (including “false positive” or “false negative” test results) may result in the wrong course of action being undertaken and cause the patient undue stress and potential harm. As a result, 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. In addition our quality certifications and accreditations are critical to the reputation of our brand. If our clinical laboratories and testing services fail to meet accreditation standards or we otherwise fail to adapt to evolving diagnostic healthcare standards, we could lose one or more of our accreditations, which may materially and adversely affect our reputation and business. Similarly, negligence in performing our diagnostic services can lead to injury or other adverse events, and we may become liable under healthcare or other laws for acts or omissions by our employees. For more information on legal proceedings involving us, see the section entitled “*Outstanding Litigation and Material Developments*” on page 358.

Any such errors or omissions, acts of negligence, lawsuits or other factors could result in significant costs as well as negative publicity that would reduce customer confidence in the quality of our diagnostic healthcare services and, in turn, our brand. The occurrence of any one or more of these events or the materializing of any such risks could negatively affect our “Dr Lal PathLabs” brand and materially and adversely affect our business, financial condition, results of operations and prospects. Further, as we expand into new geographic markets within India, and as the market becomes increasingly competitive, maintaining and enhancing our brand image may become increasingly difficult and expensive.

3. *We may not realize the anticipated benefits of our strategy to increase the presence of our network across India as well as of potential future investments or acquisitions, which, in turn, may adversely impact our results of operations. Moreover, our growth strategy of opening several new clinical laboratories and patient service centers may amplify the impact on our results of operations, cash flows and financial condition, immediately following this offering, of the cycle of opening and developing new clinical laboratories and patient centers.*

As part of our growth strategy, we plan to construct and open several new clinical laboratories, including regional reference laboratories, and patient service centers in India. The significant capital investments necessary to construct clinical laboratories, particularly regional reference laboratories — due to their size, is likely to have a material impact on our results of operations during the period of their construction and the initial post-opening period, during which each clinical laboratory is being fully integrated into our network. In addition, our results of operations have been affected by the cycle of opening and developing new patient service centers as a function of the growth of our network, and the adverse impact on our results of operations likely would be amplified, going forward, by our strategy to significantly increase the number of patient service centers and clinical laboratories in our network. The time taken to open a clinical laboratory or patient service center and the gestation period which follows the opening of such a facility vary depending on a number of factors —such as the particular geographic area and customer awareness of our brand in that area —such that a meaningful quantum of time may be required before a new facility achieves operating efficiencies comparable to that of facilities already within our network. The gestation period can result in a divergence between the future revenue-production of a new facility and the current expenses being incurred in connection with its opening, thereby affecting our margins and profitability generally. For additional information regarding the cycle of opening new patient service centers, see the section entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations and Financial Condition — The Cycle of Opening Clinical Laboratories and New Patient Service Centers*” on page 336.

Our growth strategy may also include opportunistic acquisitions of clinical laboratories and related businesses. Any increased development of clinical laboratories and patient service centers, as well as acquisitions and other investments, may expose us to other potential risks, including, among other things:

- unidentified issues not discovered in our due diligence process, such as hidden liabilities and legal contingencies;
- distraction of management’s attention from normal operations during the growth, acquisition and integration processes;
- diversion of resources from our existing businesses;
- difficulties in recruiting employees for newly constructed premises or retaining key employees of the acquired business;
- cultural challenges associated with integrating employees from acquired companies into our organization, and retention of employees from the businesses we acquire;
- unexpected delays in completing any such constructions or acquisitions;
- the availability, terms and costs of funding our construction or acquisition plans;
- litigation or other claims in connection with acquired companies, including claims from terminated employees, customers, former stockholders or other third parties;
- failure to obtain required approvals from governmental authorities on a timely basis, if at all, which could delay or prevent us from completing a transaction, or otherwise restrict our ability to realize the expected financial or strategic goals of an acquisition;
- the costs of and difficulties in integrating acquired businesses, managing a larger and growing business and operating in new markets and geographic regions; and
- acquired businesses’ failure to perform as expected and resulting impairment costs.

We may also fail to identify or secure suitable investment or acquisition opportunities, or our competitors may capitalize on such opportunities before we do. If we fail to successfully source, execute and integrate investments or acquisitions, our overall growth could be impaired, and our business, financial condition, results of operations and prospects could be materially and adversely affected.

4. Business interruptions at our National Reference Laboratory may adversely affect our ability to process clinical tests and highly complex tests. A significant portion of our business comes from Northern and Eastern India, and any loss of business in these areas could have a material and adverse effect on our business.

We perform a significant portion of our diagnostic healthcare tests at our National Reference Laboratory, including more complex tests and substantially all the specialized tests we currently offer. Our National Reference Laboratory also receives test requests and related specimens that our other clinical laboratories are unable to process. The normal functioning of our business depends significantly not just on our employees, but on the continuous and uninterrupted functioning of our National Reference Laboratory. If this facility sustains business interruptions or otherwise fails to function, in whole or in part, because of fire, natural disaster or other factors or accidents beyond our control, our capacity to provide our diagnostic healthcare services may be materially and adversely affected or suspended for an indefinite period of time. In the event of any disruption in operations of our National Reference Laboratory, we may decide to outsource a large volume of clinical tests, our ability to correctly and efficiently deliver testing results may be compromised, we may lose customers and we may face significant increases in costs for test processing, transport and logistics. Any failure, malfunction or partial or complete destruction of our National Reference Laboratory would materially and adversely affect our business, prospects, financial condition and results of operations, and may even risk the overall viability of our business as a going concern.

Furthermore, the reagent rental agreements under which we obtain our testing equipment and reagents are exclusive in nature with respect to the instruments supplied by each of our suppliers, and we are bound to purchase all our reagents, test kits, consumables and disposables for a certain minimum quantity or value of purchases from the suppliers with whom we have contracted, or their authorized agents. Any disruption in our business could result in us not meeting our minimum purchase obligations under these agreements, consequently resulting in an event of default under these agreements. Such a default could potentially disrupt our supply of reagents, and thereby materially and adversely affect our business, cash flows and results of operations.

Finally, although we have a presence throughout India, a significant portion of our business comes from Northern and Eastern India, partly due to our National Reference Laboratory's location. Approximately 85% of our total revenues for Fiscal Year 2015 were generated from Northern and Eastern India. Accordingly, any significant loss of business in these regions could disproportionately affect our business, cash flows, results of operations and financial condition.

5. Our business depends on the performance of franchisees and business partners. Any non-performance by these franchisees or business partners may adversely affect our business operations, profitability and cash flows. Some of our laboratory operations are undertaken jointly with third parties, whose interests may differ from ours, and such arrangements entail certain risks.

Our business depends on the performance of franchisees and business partners, who may be responsible for setting up facilities, procuring equipment instruments and supplies, recruiting employees, running facilities, and sourcing the samples for providing diagnostic healthcare services. As of March 31, 2015, out of our 164 laboratories and 1,340 patient service centers, 6 laboratories and 1,271 patient service centers were not wholly owned or operated by us. We can give no assurance that the performance of such franchisees and business partners will meet our required specifications or performance parameters. Our franchisees are contractually obligated to operate their laboratories and/or patient service centers in accordance with the standards set forth in our agreements with them. However, franchisees are independent third parties over which we do not have control, and the franchisees operate and oversee the daily operations of their clinical laboratories or patient service centers. As a result, the ultimate success and quality of our franchised network rests with the franchisees. Additionally, although we have non-compete restrictions under certain of our current agreements with franchisees, in the event that franchisees enter into agreements with competitors, such non-compete restrictions may not be enforceable. Similarly, we are restricted from directly providing diagnostic testing services in certain cities where franchisee-operated laboratories are located. As a result, our growth, results of operations and the integrity of our brand name in these areas is dependent on the performance of these franchisees. Moreover, there can be no assurance that our franchisees will be able to generate adequate revenue consistently, and may be exposed to credit risks associated with non-payment or untimely payments from our franchisees and business partners.

All of the franchisees of our Company either operate under the “Dr Lal PathLabs” brand or are co-branded. If our franchisees or other business partners perform inadequately, fail to meet our quality standards, engage in improper business practices or otherwise act in any way that may harm our brand, it could adversely affect our reputation as well as our business, financial condition and results of operations, and we may be required to replace any such franchisee or other business partner. For instance, there has been recent press coverage alleging that one of our franchisees at Jalandhar has contravened certain provisions of the Human Organs Transplantation (Amendment) Act, 2011, by swapping blood samples to match the DNA sample reports of donors and recipients for kidney transplants. Although these allegations have not been confirmed and no investigation has been initiated against us, any adverse finding or additional press coverage on this matter could have a negative impact on our reputation.

While we believe that we currently have good business relations with our franchisees and business partners, any inability to maintain such relations could have a material adverse effect on our business, financial condition and results of operations.

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

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

7. Various challenges currently faced by the healthcare industry in India may also adversely affect our business.

Our business is affected by the various challenges currently faced by the Indian healthcare industry, including the provision of quality patient care in a competitive environment and managing costs. For example, healthcare costs in India have increased significantly over the past decade, and there have been and may continue to be proposals by legislators and regulators to limit the rate of increase, or lower, healthcare costs in India. Certain proposals by the Government of India, if passed, could impose, among other things, limitations on the prices we will be able to charge for our diagnostic healthcare services. For example, this year the Delhi state government capped the amount that private healthcare laboratories can charge for Swine Flu tests.

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

- general economic conditions which adversely impact the quantum of disposable income that can be allocated for healthcare services;
- demographic changes, such as the increase in the percentage of elderly patients, which could result in increased government expenditures for healthcare services, in turn resulting in proposals to limit the rate of increase of healthcare costs in India;
- the rate of expansion of health insurance coverage in India, as well as the number of and healthcare costs associates with uninsured and underinsured patients;

- seasonal cycles of illness as a function of varying climate, weather conditions and disease outbreaks; and
- recruitment and retention of qualified healthcare professionals.

Any failure by us to effectively address these and other factors could have a material and adverse effect on our business, results of operations and cash flows.

8. *We rely on our information technology platform for the proper operation of our business and to protect customers' personal information, and any disruption to our systems, or failure to protect such customer information, could materially and adversely affect our business.*

We rely on our information technology platform for all operational aspects of our business, including coordination of logistics, transmission of testing results, billing services and other customer service functions. We also use our information technology systems to receive and store personal information about our customers — including their testing results, names and addresses. As a result, our business depends on the capacity, reliability and security of our technology systems, as well as the systems of third-party information technology vendors whom we engage, and will continue to do so. We have in the past experienced system failures, and though they have not resulted in serious business interruptions, there can be no assurance that we will not encounter disruptions in the future. Disruptions of service could occur for a variety of reasons including, but not limited to, an increase in usage that strains our systems' capacity, failure of key software and hardware, the sudden loss of our network connection, other technological and power failures, computer viruses and natural disasters. Moreover, any security compromises of our technology systems that result in customers' personal information being obtained by unauthorized persons, or misuse of such information by our employees, could adversely affect our reputation, result in litigation or legal proceedings against us and the potential imposition of penalties. If we experience future system interruptions or other disruptions to our technology platform, our ability to conduct our business would be materially and adversely affected.

9. *We may receive customer complaints and be subject to litigation relating to our diagnostic healthcare services, which could have a material and adverse effect on our reputation and our business.*

We have received complaints from customers in the course of providing our diagnostic healthcare services on various grounds, including alleged delays in providing test results and incorrect results or misdiagnoses. In addition, we may be subject to complaints based on malicious rumors regarding our services or testing results. Such events may generate negative publicity about our business, reduce customer confidence in the quality of our diagnostic healthcare services and negatively impact our reputation. While we have established systems and protocols to help minimize errors that can arise during the collection of samples and the testing and the delivery of reports, any failure in those systems and protocols may lead to the delivery of inaccurate or untimely results to the customers, and in serious cases, may expose us to civil and criminal charges.

Similarly, our staff and other healthcare technicians may from time to time be subject to malpractice claims, and we may be impleaded in such claims as co-defendants. Although we do not believe our business constitutes the practice of medicine, claims or complaints relating to our diagnostic healthcare services nevertheless may be asserted against us and our employees. In addition, we may be subject to professional liability claims, including, without limitation, for improper use or malfunction of our diagnostic healthcare equipment, for accidental contamination or injury from exposure to radiation or for infections or other complications arising from the specimen or sample collection process.

In addition, our operations involve the use of hazardous and flammable materials, including chemicals, radioactive and nuclear materials. Any such materials are extremely hazardous unless properly managed and contained. We generally contract third parties for the disposal of these materials and wastes. However, we cannot completely eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties.

Currently, 26 consumer complaints have been initiated and are still pending against our Company, and one against Amolak Diagnostics Private Limited, our former subsidiary which has recently been amalgamated with our Company, before various consumer dispute resolution forums in relation to allegedly erroneous test results generated by our laboratories. For further details, see the section entitled “*Outstanding Litigation and Material Developments*” on page 358.

Any customer complaints or litigation brought against us as a result of our services or otherwise may damage our reputation and brand, result in our incurring material legal expenses, result in substantial damage awards against us and divert the attention of our management from our operations, any of which would have a material and adverse effect on our business.

10. There are certain legal proceedings pending against us and certain of our Promoters and Directors which, if determined against us, could have a material adverse effect on our financial condition, results of operations, cash flows and our reputation.

Our Company and certain of our Promoters and Directors are currently involved in legal proceedings pending at different levels of adjudication before various courts and tribunals. A classification of legal proceedings and the monetary amount involved in the cases currently outstanding is mentioned in brief below:

Name of Entity	Criminal Proceedings	Civil/ Arbitration Proceedings	Tax proceedings**	Labour disputes	Consumer complaints	Complaints under the Negotiable Instruments Act, 1881	Aggregate amount Involved* (in ₹ million)
Company							
<i>By the Company</i>	2	9	-	-	-	2	34.21
<i>Against the Company</i>	3	1	2	2	26***	-	80.83
Promoters							
<i>By the Promoters</i>							
(Hony.) Brig. Dr. Arvind Lal	-	-	-	-	-	-	-
Dr. Vandana Lal	-	-	-	-	-	-	-
<i>Against the Promoters</i>							
(Hony.) Brig. Dr. Arvind Lal	1 [#]	-	-	-	9 [#]	-	4.93
Dr. Vandana Lal	1 [#]	-	-	-	6 [#]	-	4.50
Directors (other than our Promoters)							
<i>By the Directors</i>							
Mr. Arun Duggal	-	1	-	-	-	-	NIL
<i>Against the Directors</i>							
Mr. Harneet Singh Chandhoke	-	-	1	-	-	-	1.21

* To the extent ascertainable

** In addition to the above, there are 14 income tax demands pending against our Company and the total financial implication on our Company pursuant to such demands is ₹ 0.50 million. In relation to demands for tax deducted at source, there are 62 demands pending against our Company, and the total financial implication pursuant to such demands is ₹ 2.02 million. Further, there are two income tax demands pending against (Hony.) Brig. Dr. Arvind Lal and the total amount involved in relation to such demands is ₹ 0.45 million and also there is an income tax demand against Dr. Om Prakash Manchanda wherein the amount involved is ₹ 2.4 million.

*** Including a consumer complaint initiated against Amolak Diagnostics Private Limited, our former wholly owned subsidiary, which recently amalgamated with our Company pursuant to the Scheme, as described under the section entitled "History and Certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets" on page 160.

[#] Our Company and our Promoters are joint defendant in these proceedings, and hence such proceedings been represented against our Company as well as against our Promoters in the table above. For further details, see the section titled "Outstanding Litigation and Material Developments" on page 358.

If any new developments arise, including a change in Indian law or rulings against us by the appellate courts or tribunals, we may face losses and we may have to make further provisions in our financial statements, which could increase our expenses and our liabilities. Decisions in such proceedings adverse to our interests may have a material adverse effect on our business, financial condition, results of operations and cash flows. For information regarding contingent liabilities associated with these legal proceedings, see "— Any increase in or realization of our contingent liabilities could adversely affect our financial condition." on page 34.

In the event significant claims are determined against us and we are required to pay all or a portion of the disputed amounts, there could be a material adverse effect on our business and profitability. We cannot provide any assurance that these matters will be decided in our favor. In addition, even if we are successful in defending such cases, we will be subject to legal and other costs relating to such litigation, and such costs could be substantial. Further, there is no assurance that similar proceedings will not be initiated in the future. If any of the above scenarios were to occur, they could adversely affect our business, results of operations, financial condition and our reputation.

For further details in relation to legal proceedings involving our Company, Promoters and Directors, see the section entitled “*Outstanding Litigation and Material Developments*” on page 358.

11. A failure to obtain and retain new customers, a loss of existing customers or material contracts or partnerships, a reduction in tests ordered or specimens submitted by existing customers, or the inability to retain existing and create new relationships with health systems could impact our ability to successfully grow our business and may materially and adversely affect our business, financial condition, results of operations and cash flows.

To successfully compete in the diagnostic healthcare services industry in India it is important that we acquire new customers and retain our existing customers. This allows us to maintain existing, and generate additional, economies of scale in line with our strategy. In addition, a reduction in tests ordered or specimens submitted by existing customers, without offsetting growth in our customer base or an increase in prices, would decrease our margins, have an impact on our results of operations and potentially impact our ability to successfully compete and grow our business. We compete primarily on the basis of the quality of testing, IT infrastructure, reputation in the medical community, the pricing of services and ability to employ qualified personnel. Our failure to successfully compete on any of these factors could result in the loss of customers, economies of scale and a reduction in our ability to expand our customer base.

In addition, we rely on entering into agreements with healthcare providers, government agencies, corporations and other customers to expand our business through appropriate collaborative agreements. Our ability to continue to obtain benefits from our existing agreements and expand the number of agreements with healthcare providers, government agencies, corporations and other customers could impact our ability to successfully grow our business.

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

As part of our future growth strategy, we are seeking to increase the penetration of our existing test services in the Indian market. We intend to do this by expanding our overall customer base, with an emphasis on strategic physical and geographic growth through the extension of our hub-and-spoke model, including the construction of new facilities, the selective acquisition of laboratories and patient service centers, and by entering into lease arrangements, franchising or other revenue-sharing arrangements in new markets. Our ability to successfully execute these expansion plans, to the extent they proceed, will depend on various factors, including among others:

- our ability to identify suitable acquisition targets;
- our ability to identify suitable locations, the availability of which is outside our control;
- the availability, terms and costs of financing required to fund construction or acquisitions or complete expansion plans;
- unexpected delays in completing constructions or acquisitions;
- our ability to negotiate commercially viable lease terms;
- successfully integrate new laboratories and patient service centers into our existing operations;
- obtaining or renewing required statutory and regulatory approvals and licenses;
- demand for our services;
- our ability to train and manage our staff; and
- general economic conditions.

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

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

13. Failure or delay in the delivery of specimens to our laboratories could compromise or destroy the integrity of test specimens which could adversely affect our business, financial condition, results of operations and cash flows.

The sample collection process is highly distributed, fragmented, and labor-intensive, and dependent on the skill and focus of front-end employees, franchisees and third-party pickup points. Any mix-ups, losses or errors in the sample collection process can result in erroneous or non-results and adversely affect the business of the Company.

We depend on the smooth transportation of specimens from different sources to our laboratories, the logistics of which are subject to various uncertainties and risks. A key challenge in the operation of a laboratory network is the maintenance of sample integrity and turnaround time when tests are conducted by laboratories far away from the sample collection point or otherwise difficult to reach from the patient service center or pickup point. The timely pickup, transportation and delivery of specimens depend on numerous factors beyond our control, including weather and road conditions, air traffic delays and, in the case of our international operations, customs delays. Disruptions of transportation services because of weather related problems, strikes, lock-outs, terrorism, inadequacies in the road infrastructure and port facilities, or other events could impair our ability to receive test specimens or any other supplies and generate test results to our customers in a timely manner.

In addition, as we rely on third-party courier services for all of our intercity and international deliveries, we may sometimes experience loss of samples, delays and inefficiencies that are not within our control. If we are unable to deliver test specimens to our clinical laboratories in a timely manner, their integrity may be compromised, or the reporting of results of diagnostic testing to customers may be delayed, which could adversely affect our reputation and result in a loss of customers and income which could adversely affect our business, financial condition, results of operations and cash flows. Further, samples may be lost, damaged or contaminated due to mishandling while in transit. In the event samples are lost, destroyed, damaged or contaminated, we may incur additional costs, such as the cost of re-administering tests, legal liability from producing erroneous results or from delays in the generation of critical test results, and damage to our reputation and business.

14. While the diagnostic healthcare services industry in India is presently not subject to extensive governmental regulations, the government could introduce more stringent regulations. Any such change in regulations could have a material adverse effect on our business, operating revenues and cash flows.

At present, the diagnostic healthcare services industry is not subject to extensive governmental regulation. Our laboratories through which we provide diagnostic healthcare services are “clinical establishments” under several state legislations as well as the Clinical Establishments (Registration and Regulation) Act, 2010 (“**CERR Act**”) and the Clinical Establishments (Central Government) Rules, 2012 (“**CECG Rules**”). These legislations provide for registration and regulation of clinical establishments in India and prescribe minimum standards and chargeable rates for facilities and services provided by them and penalties in case of any contravention with such laws and rules there under.

By virtue of having passed area-specific legislations for regulation of clinical establishments and nursing homes, states, union territories and other cities including West Bengal, Haryana, Madhya Pradesh, Delhi and Mumbai are excluded from the applicability of the CERR Act and CECG Rules. Currently, the CERR Act and CECG Rules are in effect in the States of Arunachal Pradesh, Himachal Pradesh, Mizoram, Sikkim, Uttar Pradesh, Rajasthan and Jharkhand and all Union Territories (“**Notified Areas**”). Additionally, States of Bihar, Jharkhand, Uttarakhand, Himachal Pradesh, Arunachal Pradesh and Sikkim, and Union Territories of Puducherry, Dadar & Nagar Haveli, Daman & Diu and Andaman & Nicobar Islands have framed rules applicable to their respective states under the CERR Act, prescribing inter alia the powers of registration authority, procedure for registration of clinical establishments and applicable fee.

While draft minimum standards under the CERR Act for various services to be provided by, and application formats for permanent registration of, clinical establishments have been made publicly available, these are yet to be notified in the Official Gazette. In the interim, clinical establishments in Notified Areas are required to apply for provisional registration under the

CERR Act within six months of establishment, irrespective of prior registration under any other applicable laws, which would be valid for an initial period of 12 months, subject to renewal for time periods as prescribed under the CERR Act. Permanent registration shall only be applied for and granted if the clinical establishment meets the prescribed standards for registration under the CECG Rules, once notified. Unless revoked on account of contravention of any provisions of the CERR Act or CECG Rules, such registration would be valid for a period of five years and may be renewed pursuant to an application made within six months before the expiry of the permanent registration.

While we continuously monitor compliance with the above-mentioned legislations for our laboratories and patient service centers in relevant jurisdictions, there can be no assurance that once prescribed, we will be able to comply with the standards for the services we provide to apply for permanent registration under the CERR Act in time, or at all, or that we would be able to obtain fresh registrations or renew our existing registrations under other applicable laws. These in turn could subject us to penalties, fines and the loss of various licenses, certificates and authorizations necessary to operate our business, thereby adversely affecting our business and reputation.

Further, our laboratories conducting any pre-natal diagnostic tests are required to obtain registrations and comply with procedures set out under the Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994 and Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Rules, 1996 which include employing of persons who possess the prescribed qualifications. We are also required to obtain licenses and ensure safe disposal of radioactive waste and to secure public safety, including that of persons handling radioactive substances under the Atomic Energy Act, 1962 and rules framed thereunder.

If a determination is made that we are in violation of such laws, rules or regulations, including conditions in the permits required for our operations, we may have to pay fines, modify or discontinue our operations, incur additional operating costs or make capital expenditures and our business, financial positions, results of operations or cash flows could be adversely affected. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, may further impact the viability of our current business or restrict our ability to grow our business in the future.

Moreover, the prices that we charge for our diagnostic healthcare services could become subject to recommended, or even maximum, fees set by the government or other authorities. For example, the government could introduce “price lists” for diagnostic healthcare services that could be mandatory or, even if not mandatory, result in guidance for the prices we charge for our diagnostic healthcare services. The implementation of such or other policies affecting the prices we charge could, in effect, limit our ability to raise the prices we charge customers for our diagnostic healthcare services, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

15. Our success depends, in large part, upon our senior management team and the loss of key members or a failure to attract skilled personnel or retain such persons may adversely affect our business.

Our sustained growth depends on our ability to attract, train, motivate and retain qualified and experienced laboratory professionals, including physicians, pathologists and scientists. Our inability to attract and retain such skilled personnel, especially in smaller cities in India, could result in a decrease in the quality of our services and could have a material adverse effect on our results of operations. Further, our success is significantly dependent on the efforts, expertise and continued performance of our senior management team. Our Directors and other members of our senior management provide expertise which enables us to make well-informed decisions in relation to our business. In particular, we rely on the expertise, experience and leadership ability of (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal, our Promoters, as well as Dr. Om Prakash Manchanda, our chief executive officer. There is no assurance, however, that these individuals or any other member of our senior management team will not leave us or join a competitor. The loss of their services, failure to recruit suitable or comparable replacements in a timely manner or need to incur additional expenses to recruit and train new personnel could disrupt, or otherwise have a material adverse effect on, our business, financial condition, results of operations and cash flows. In addition, if any of our executive officers or key employees joins a competitor or forms a competing company, we may lose know-how, trade secrets, customers and key professionals and staff.

Furthermore, since the demand and competition for talent is intense in our industry, particularly for qualified healthcare professionals, and since the availability of suitable and qualified candidates is limited, we may need to offer higher compensation and other benefits in order to attract and retain key personnel in the future, which could increase our compensation expenses. We also may need to increase our total compensation costs to attract and retain the experienced

management and sales personnel required to achieve our business objectives, and the failure to do so could severely disrupt our business and growth. We cannot assure you that we will be able to attract or retain the key personnel that we will need to implement our strategies and achieve our business objectives.

16. We lease the majority of our laboratories and other business premises, which subjects us to certain risks.

The majority of our laboratories and other business premises, including our Registered Office and Corporate Office, are leased. For further details, see the section entitled “*Our Business — Property*” on page 149. While we generally endeavor to enter into long-term lease arrangements where we have the sole right to terminate, and our lease arrangements generally have a renewal option, we cannot assure you that we will be able to renew any such leases on favorable terms or at all when the term of the original lease expires, or that any such leases will not be prematurely terminated (including for reasons that may be beyond our control). If any of the property owners or managers do not renew the lease agreements under which we occupy our laboratories or other business premises, or only renew such agreements on terms and conditions unfavorable to us, or if the property owners or managers terminate our leases, we may not be able to procure properties similar to the ones where we currently operate and may suffer a disruption in our operations or have to pay increased rental rates, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Also, in the event that our leases are not renewed, and we are required to change the locations of our laboratories or other business premises, the Company may be unable to recover the costs of setting up or customizing laboratories. Additionally, we may be required to obtain fresh regulatory licenses and approvals. Until we receive fresh regulatory approvals and licenses, we may suffer disruptions in our operations and our business which may adversely affect our financial condition and results of operations.

Further, certain of our lease agreements may have not been registered with local authorities or may not be duly registered as per applicable law. Consequently, we may not be able to enforce these leases in the event of default on behalf of the lessor. We may also be required to make additional stamp duty or similar payments for certain of our lease agreements that may currently be insufficiently stamped, which could have an adverse effect on our business, results of operations, cash flows and financial condition.

Moreover, we may be subject to restrictive provisions regarding our properties under municipal zoning or other property-related laws and regulations or under our lease agreements, or our properties may be subject to legal proceedings with regard to such restrictions on use involving local municipal councils or regulatory authorities, for example, with respect to commercial use of certain properties at a location where the premises of our Registered Office is situated. Further, improperly executed, unregistered or insufficiently stamped conveyance instruments in a property’s chain of title, 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 a purchaser may not be aware of can affect title to a property. In addition to title uncertainties, there may be other irregularities, defects, noncompliance, or unsettled claims in relation to the properties that we lease from time to time, including issues that we may not be aware of, for instance, in relation to the properties previously occupied by Sanya Chemicals Private Limited, Amolak Diagnostic Private Limited, Medex Healthcare Private Limited, Medicave Diagnostic Centre Private Limited and Medicave Medical Systems Private Limited, which we now operate on pursuant to our recent amalgamation.

Any such factors may affect the peaceful and uninterrupted possession and use of our properties or require us to incur significant additional compliance costs or rental expenses, or may curtail our future expansion, which may adversely affect our business, financial condition, results of operations and prospects.

Our growth strategy entails setting up laboratories in different geographical areas, for which we would be required to execute new lease agreements. If we are able to find suitable premises for our laboratories, rent may be significantly higher or be on less favorable terms than those of our current laboratories, which may adversely affect our business, financial condition, results of operations or prospects.

17. We depend on certain kinds of specialized and routine tests, almost all of which are conducted at our National Reference Laboratory and key clinical laboratories, and any adverse effect on our ability to provide such tests will negatively impact our profitability, results of operations and cash flows.

We depend on certain specialized tests, namely Vitamin D, thyroid and lipid profile tests, for a significant portion of our revenue. These tests, collectively, contributed more than 10% of our total revenues for each of Fiscal Years 2015 and 2014. While, as of March 31, 2015, we have a portfolio of approximately 1,079 test panels, with 1,813 pathological tests and 1,555

radiology and cardiology tests, we still expect these tests to continue to constitute a majority of our revenues in the future. However, our brand positioning and revenue generated from such tests may be adversely affected by various factors that may be beyond our control. For instance, we may be unable to price the tests we are reliant on competitively due to a variety of reasons, including an increase in the cost of the technology required to conduct such tests, an increase our operating costs, or certain specialized tests becoming routine, which would affect our ability to charge a premium for such tests. Further, advancements in the availability of testing equipment that can be operated locally and that do not require clinical laboratories or advancements in self-testing kits that can be operated by patients themselves could also result in a decrease in the volume of tests that are conducted at our laboratories. In light of our reliance on these tests, these factors may have a significant adverse effect on our business, financial condition and results of operations.

18. We depend on third-party manufacturers for our testing equipment and reagents such that price increases for testing equipment and/or reagents, and the discontinuation or recall of existing testing equipment and/or reagents as well as the failure or malfunction of any of our equipment could adversely affect our business.

We obtain our testing equipment and reagents from third-party suppliers under lease agreements and reagent supply agreements. If procurement costs for foreign-produced consumables or the price of equipment increase, for example due to depreciation of the Indian Rupee, suppliers may demand to renegotiate our supply contracts with us. See the section entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Quantitative and Qualitative Analysis of Market Risks — Exchange Rate Risk*” on page 354. If we fail to achieve favorable pricing on reagent supplies or equipment rental or are unable to pass on any cost increases to our payers, our profitability could be materially and adversely affected.

In addition, under the lease and reagent supply agreements, the supplier generally has the discretion to terminate the agreement with written notice in the event of a breach of any material term or condition of such agreement, including but not limited to defaults in the purchase of minimum obligations of reagents or payment of the rent or lease fee. In addition, manufacturers may discontinue or recall reagents, test kits, instruments or equipment which could adversely affect our test results and credibility, costs, testing volume and income. Any such recall or termination and consequent removal of the installed equipment can adversely affect our operations.

Our business exposes us to liability risks that are inherent in the operation of complex medical equipment, which may experience failures or cause injury either because of defects, faulty maintenance or repair, or improper use. Extended downtime of our medical equipment or significant quality deterioration in our suppliers’ products, services or equipment could materially and adversely affect customer experience, which in turn could result in lost revenues, dissatisfaction on the part of customers and damage to our reputation. Any injury caused by our medical equipment in our laboratories due to equipment defects, improper maintenance or improper operation could subject us to liability claims. Regardless of their merit or eventual outcome, such liability claims could result in significant legal defense costs for us, harm our reputation, and otherwise have a material adverse effect on our business, financial condition and results of operations.

19. Failure to acquire new diagnostic healthcare equipment and technologies could adversely affect our business, financial condition, results of operations and cash flows.

The diagnostic healthcare services industry is subject to constant innovations in, and improvements to services and tests, processes and technologies. We believe that, to maintain our position in our industry, we must continue to anticipate and keep abreast of the demands and needs of our customers through investing in technologies to develop new services and improve existing services. If we use incorrect criteria or technologies to develop services and processes that do not allow us to compete efficiently, or 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, we may be adversely affected.

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

20. *Compliance with, and changes in, health, safety and environmental laws and various labor, workplace and related laws and regulations applicable in jurisdictions in which we operate could result in increased capital requirements and operating costs.*

While the provision of diagnostic healthcare services is not heavily regulated, we are subject to a broad range of safety, health and environmental laws and various labor, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, bio-medical waste, air and water discharges, on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations. For further details, see the section entitled “*Regulations and Policies*” on page 150.

The Biomedical Waste (Management and Handling) Rules, 1998 (the “**BMW Rules**”) are applicable to all persons generating, collecting, receiving, storing, transporting, treating, disposing or handling bio-medical waste in any form including hospitals, clinics and pathological laboratories. Improper disposal of biomedical waste can result in injuries to healthcare personnel and waste handlers, as well as an increased risk of infection to medical, nursing and other staff, an increase in risks associated with hazardous chemicals and drugs and the development of resistant strains of microorganisms, among other things. In addition, the Biomedical Waste Rules prescribe different categories of waste and various treatment and disposal options. For example, microbiology and biotechnology waste (such as waste from laboratory cultures, waste from production of biologicals, toxins, dishes and devices used for transfer of cultures) must be treated by local autoclaving, microwaving or incineration and liquid waste (waste generated from laboratory and washing, cleaning, housekeeping and disinfecting activities) is required to be disinfected by chemical treatment and discharged into drains. Noncompliance in discharge of medical waste or of other hazardous substances or other pollutants into the air, soil or water may cause us to be liable to government and regulatory bodies or to third parties. In addition, we may be required to incur costs to remedy the damage caused by such discharges, pay fines or other penalties for noncompliance. Compliance with, and changes in, safety, health and environmental laws and various labor, workplace and related laws and regulations may increase our compliance costs and as such adversely affect our business, prospects, results of operations and financial condition. Although we believe that our operations are materially in compliance with currently applicable environmental, health and safety regulations, violations of such laws or regulations can lead to fines and penalties. In addition, the risk of substantial costs and liabilities, including for the investigation and remediation of past or present contamination or other environmental restoration, at laboratories currently or formerly owned or operated by us or our franchisees, or where wastes have been disposed, are inherent in our operations, and there can be no assurance that substantial costs and liabilities will not be incurred in the future. In addition, stricter laws and regulations, or a stricter interpretation of existing laws and regulations may impose new liabilities or require additional investment in environmental protection equipment, either of which could adversely affect our business, financial condition, results of operations and cash flows.

As of June 30, 2015, we had 3,219 full-time employees and 84 full-time consultants. Labor laws in India are fairly stringent and may restrict our ability to have human resource policies that would allow us to react swiftly to the needs of our business. While we believe that we maintain good relationships with our employees and contract laborers, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may materially and adversely affect our business, prospects, results of operations and financial condition. In the event of a labor dispute, protracted negotiations and/or work stoppages may impair our ability to carry on our day-to-day operations which would materially and adversely affect our, business, financial condition, results of operations and cash flows.

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

The growth of business depends on employing and retaining qualified pathologists and other healthcare professionals and technicians who can maintain and enhance our reputation by providing diagnostic testing services in accordance with our quality standards. Moreover in India, especially in smaller cities, there is a shortage of such qualified healthcare professionals and technicians, which has made it challenging for us to attract and retain such employees, who may be attracted to employment opportunities with our competitors. See the section entitled “*Industry Overview—Indian diagnostics industry—Key risks—Shortage of manpower*” on page 129. The effects of this shortage would be amplified by our strategy to significantly increase the size of our network, as the need for qualified healthcare professionals and technicians becomes even greater. Further, many of our pathologists are engaged exclusively by us and paid on a consultancy basis, and, therefore, our growth depends on our ability to retain such pathologists. In addition, there is a risk that other diagnostic healthcare service providers in each region in which we operate will attempt to attract our staff. The growth and success of our business depends,

in part, on the personal relationships and professional reputations of our healthcare professionals and technicians with our patients. Accordingly, the failure to attract and/or retain qualified healthcare professionals and technicians could have a material adverse effect on our business and results of operations.

22. Our ability to attract individual patients is largely dependent on the disposable income and increasing general health awareness of India's general population, which could decline due to a variety of factors.

One of our key sources of income is individual patients. The growth of these types of customers is dependent on brand recognition, wider acceptance of our business in the communities in which we operate and our ability to compete effectively within our industry, all of which we may be negatively affected by a wide variety of reasons. For example, individual decisions regarding when to access healthcare services may be impaired by the absence of a developed health insurance sector or the lack of appropriate government programs to cover the costs of healthcare. Moreover, given the small proportion of people in India presently with health insurance, customers in India generally are responsible for all or part of the cost of diagnostic healthcare services, which means that a decrease in disposable income that can be allocated for healthcare services, or even the perception thereof, such as during times of economic downturn, can lead to a reduction in individuals' expenditures for healthcare services. In addition, we cannot assure you that the current increasing trend in health awareness and demand for preventive healthcare services will continue, and it may even reverse. Any of the above reasons may affect our ability to maintain or increase growth in walk-in clients, which may adversely affect our business, financial condition, results of operations and cash flows.

23. Our insurance coverage may be inadequate to fully protect us from all losses.

We are exposed to liability risks that are inherent to the diagnostic healthcare services industry. Further, our operations are subject to the risk of loss due to fire as many materials used in our laboratories are flammable. We are also subject to the risk of other natural calamities or general disruptions affecting our facilities. While we maintain insurance coverage of the type and in the amounts that we believe are commensurate with our operations and risks, including general liability insurance, 'key man' insurance for our individual Promoters, directors' and officers' liability insurance and professional liability insurance, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or in a timely manner, or that we have purchased sufficient insurance to cover all material losses. Further, successful assertion of one or more large claims against us for events for which we are not insured or that exceed our available insurance coverage or result in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, results of operations and cash flows. For further details, see the section entitled "Our Business—Insurance" on page 149.

24. We may be unable to obtain, maintain or enforce our intellectual property rights and may be subject to intellectual property litigation that could adversely impact our business.

We may be unable to obtain, maintain or enforce our intellectual property rights, including for our "Dr Lal PathLabs" brand, which is fundamental to our business. The registered or unregistered trademarks or trade names that we own or license may be challenged, infringed, circumvented, declared generic, lapse or determined to be infringing on or dilutive of other marks. The applications for registration of trademarks "Dr Lal Pathlabs" and "Dr Lal" and the "Dr Lal Pathlabs" logo under class 44 are currently objected to. We may not be able to protect our rights in these trademarks and trade names, which we need in order to build name recognition with potential partners. While we have applied for certain trademarks associated with our brand, there can be no assurance that we will obtain registrations for these trademarks in a timely manner or at all. In addition, third parties may in the future file for registration of trademarks similar or identical to our trademarks. Further, certain of our applications for the registration of trademarks have been opposed, and there can be no assurance that we will be successful in defending our claim to such trademarks. If third parties succeed in registering or developing other legal rights in such trademarks, and if we are not successful in challenging such third-party rights, we may not be able to use these trademarks to commercialize our technologies or products in certain markets or contexts. If we are unable to maintain our name recognition or enforce our trademarks, trade names or other intellectual property, we may not be able to compete effectively and our business, prospects, financial condition and results of operations may be adversely affected. For more details, see the sections entitled "Our Business—Intellectual Property" and "Government and Other Approvals" on pages 147 and 366.

25. *We are subject to seasonal fluctuations in operating results and cash flows.*

The diagnostic healthcare services industry is subject to seasonal fluctuations in operating results and cash flow. Diagnostic healthcare testing volumes typically increase during the monsoon season, during which there is a greater prevalence of malaria and dengue, as well as gastrointestinal and respiratory diseases. Diagnostic healthcare testing volume is also subject to declines due to severe weather, such as unusually hot or cold weather, which can deter patients from having tests performed and which can vary in frequency, duration and severity from year to year. Similarly, we typically experience slower revenue growth during December and January, when the temperature and humidity are lower and the prevalence of certain diseases that benefit from warmer and more humid weather generally decreases. Increased prevalence of a particular virus or other pathogen in the general population often causes an increased demand for specific diagnostic healthcare testing for that virus. As a result of these infectious disease outbreaks, we experience year-on-year seasonal fluctuations. Year-on-year fluctuations may also occur as a result of pharmaceutical companies encouraging physicians to sell certain treatments or medications, which could lead to more testing of related conditions. As a result of these factors, we may be subject to seasonal fluctuations in operating results and cash flows during any interim financial period, and consequently, such results cannot be used as an indication of our annual financial, and cannot be relied upon as an indicator of our future, performance.

26. *We have experienced negative cash flows in relation to each of our investing activities and financing activities for Fiscal Years 2013, 2014 and 2015. Any negative cash flows in the future would adversely affect our results of operations and financial condition.*

We had negative cash flows from investing activities of ₹ 650.35 million, ₹ 896.89 million and ₹ 895.34 million for Fiscal Years 2013, 2014 and 2015, respectively. Furthermore, we had negative cash flows from financing activities of ₹ 147.95 million, ₹ 101.96 million and ₹ 7.96 million for Fiscal Years 2013, 2014 and 2015, respectively. If we experience any negative cash flows in the future, this could adversely affect our results of operations and financial condition. For further details, see the sections entitled “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 196 and 335.

27. *Failure to obtain or renew approvals, licenses, registrations and permits to operate our business in a timely manner, or at all, may adversely affect our business, results of operations and cash flows.*

In order to operate our business, we are required to obtain certain clearances, licenses, registrations and other approvals under various central and state laws. In particular, we are required to obtain licenses for, among others, the following activities: establishing our clinical laboratories, conducting pre-natal diagnostic tests or procedures and handling of radioactive materials or biomedical waste or other hazardous waste. The regulatory licenses that we require are generally granted for a limited term and are subject to renewal at the end of such terms. For instance, our clinical laboratories which are governed by the Clinical Establishments (Registration and Regulation) Act, 2010 (“**CERR Act**”) are required to obtain registration under the CERR Act and such registration is valid for a period of five years. Further, we are required to be obtained a license to handle any radioactive material or operate any radiation generating equipment under the Atomic Energy (Radiation Protection) Rules, 2004, which licenses are also valid for a period of five years. We cannot assure that we will be able to obtain or renew all necessary licenses and registrations as and when required, within a reasonable time, or at all. For further details of key regulations applicable to our business and our operations, see the section entitled “*Regulations and Policies*” on page 150.

While we have obtained a number of required approvals for our operations, approvals for which we have submitted applications are currently pending. In addition, we may need to apply for additional approvals, including the renewal of approvals which may expire from time to time and approvals required for setting up of any new clinical laboratory or patient service center, in the ordinary course of business.

As on the date of this Draft Red Herring Prospectus, our Company has applied for, but not received certain key approvals for our National Reference Laboratory and other major clinical laboratories. For further details, see the section titled “*Government and Other Approvals*” on page 366. Further, while we believe that we do not require certain approvals, we cannot assure you that the relevant regulatory authorities will not take a different view as to whether such approvals and consents will be applicable to us, or whether we will be penalized for not obtaining such approvals or consents under relevant acts and regulations.

Our licenses and approvals are subject to various conditions, including periodic renewal and maintenance standards that are subject to inspection and may require us to incur substantial expenditure. Any actual or alleged failure on our part to comply

with the terms and conditions of such regulatory licenses and registrations could expose us to significant compliance costs or liabilities, or could affect our ability to continue to operate at the locations or in the manner in which we have been operating thus far. Further, in the event accreditations such as from the National Accreditation Board for Testing and Calibration Laboratories, are made compulsory, either by law or as a condition for empanelment, our business and operations may be adversely affected until such time we receive accreditation.

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

28. This Draft Red Herring Prospectus contains information from an industry report which we have commissioned from CRISIL Research.

This Draft Red Herring Prospectus in the sections titled “*Summary of Industry*”, “*Summary of Business*”, “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” on pages 48, 50, 112, 134 and 335, respectively, includes information that is derived from an industry report titled “*Assessment of Diagnostics Industry in India*”, prepared by CRISIL Research, a research house, pursuant to an engagement with the Company. We commissioned these reports for the purpose of confirming our understanding of the diagnostics industry in India. Neither we, nor any of the BRLMs, nor any other person connected with the Offer has verified the information in the commissioned report. CRISIL Research has advised that while it has taken due care and caution in preparing the commissioned report, which is based on information obtained from sources that it considers reliable (“**Information**”), it does not guarantee the accuracy, adequacy or completeness of the Information and disclaims responsibility for any errors or omissions in the Information or for the results obtained from the use of the Information. The commissioned report also highlights certain industry and market data, which may be subject to assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that CRISIL Research’s assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the commissioned report is not a recommendation to invest or disinvest in our Company. CRISIL Research has disclaimed all financial liability towards the subscribers, users, transmitters or distributors of the commissioned report. Prospective Investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Draft Herring Prospectus, when making their investment decisions.

29. Expansion to countries outside of India is subject to a variety of risks, including changes in foreign regulatory requirements, local preferences and service requirements, political and economic instability, inability to effectively enforce contractual or legal rights and adverse tax consequences, logistics costs, which could adversely affect those operations and thus affect our profitability, results of operations and cash flows.

Expansion of our operations to countries outside India is accompanied by certain financial and other risks. We see opportunities to grow our through selective acquisitions, the development of our own laboratories and facilities, the management of third-party laboratories, joint venture and franchise arrangements and the addition of pickup points. Our international operations are, and will continue to be, subject to a number of risks and potential costs, including:

- changes in foreign regulatory requirements;
- local preferences and service requirements;
- fluctuations in foreign currency exchange rates;
- political and economic instability;

- inability to effectively enforce contractual or legal rights and adverse tax consequences;
- differing accounting standards and interpretations;
- stringent as well as differing labor and other regulations;
- differing domestic and foreign customs, tariffs and taxes;
- staffing and managing widespread operations;
- availability and terms of financing; and
- logistics costs and availability.

In addition, entering new markets poses risks and potential costs such as failure to attract a sufficient number of tests or customers, or to anticipate competitive conditions that are different from those in our existing markets, and significant marketing and promotion costs, among others. We also face risks with our international operations in geographic areas in which we do not possess the same level of familiarity with local health habits and health profiles, customer expectations, local laws and regulations and competitive environment which could affect our business, financial condition and results of operations.

Further, there is no assurance that future political and economic conditions in countries outside India in which we are operating or will operate in the future will be stable and will not result in their governments adopting different policies with respect to foreign development and the ownership of companies involved in the diagnostic healthcare services industry. Furthermore, any changes in policy may result in changes in laws affecting ownership of assets, taxation, rates of exchange, environmental protection, labor relations, repatriation of income and return of capital, which may affect our ability to generate profits for our shareholders.

30. Our tests and business processes may infringe on the intellectual property rights of others, which could cause us to engage in costly litigation, pay substantial damages or prohibit us from selling certain of our tests.

Other companies or individuals, including our competitors, may obtain patents or other property rights that would prevent, limit or interfere with our ability to develop, perform or sell our tests or operate our business. As a result, we may be involved in intellectual property litigation and we may be found to infringe on the proprietary rights of others, which could force us to do one or more of the following:

- cease performing or selling services that incorporate the challenged intellectual property;
- obtain and pay for licenses from the holder of the infringed intellectual property right;
- redesign or reengineer our tests;
- change our business processes; or
- pay substantial damages, court costs and legal fees, including potentially increased damages for any infringement held to be wilful.

Infringement and other intellectual property claims, regardless of their merit, can be expensive and time-consuming to litigate. In addition, any requirement to reengineer our tests or change our business processes could substantially increase our costs, force us to interrupt product sales or delay new test releases. Infringement claims could also arise in the future as patents could be issued on tests or processes that we may be performing, particularly in such emerging areas as gene-based testing and other specialty testing.

31. *Our Promoters and Promoter group will continue to retain majority control in our Company after the Offer, which will enable them to influence the outcome of matters submitted to shareholders for approval.*

After the completion of this Offer, our Promoters will directly control a majority of our outstanding Equity Shares. For details, see the section entitled “*Capital Structure*” on page 71. As a result, our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting, and our other shareholders will be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as decisions relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and Directors, actions which delay, defer or cause a change of our control or a change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

32. *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 Promoters and Subsidiaries. For example, we have entered into transactions for the sale of services with our subsidiary, Paliwal Diagnostics Private Limited, in the amount of ₹ 3.75 million during the year ended March 31, 2015. Furthermore, we have provided loans and advances in the amount of ₹ 2.61 million to APL Institute of Clinical Laboratory and Research Private Limited during Fiscal Year 2015, and as of March 31, 2015 they owed us ₹ 6.52 million. For further details, see the section entitled “*Related Party Transactions*” on page 194. We have also given remuneration, dividends and stock options to certain of our directors, officers and Promoters. Finally, we have also leased our Registered Office, located at Eskay House, 54 Hanuman Road, New Delhi 110 001, from Eskay House (HUF), one of our Promoters. For more information on our related party transactions, see the section entitled “*Related Party Transactions*” on page 194.

There can be no assurance that we will be able to maintain existing terms, or in case of any future transactions with related parties, that such transactions will be on terms favorable to us. While we believe that all of our related party transactions have been conducted on an arm’s length basis, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. It is also likely that we will enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflict of interests. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our results of operations and financial condition.

Further, the Companies Act, 2013 has brought into effect certain significant changes providing for more stringent compliance requirements for related party transactions. SEBI has recently issued revised corporate governance guidelines by amending Clause 49 of the equity listing agreement. Pursuant to these guidelines and the Companies Act, 2013, our Company is, inter alia, required to obtain prior approval of all our shareholders through special resolution for all future material related party transactions where any person or entity that is related to our Company will be required to abstain from voting on such resolutions. We may face difficulties in entering into related party transactions in future due to these new requirements which may adversely affect our business and results of operations.

33. *Certain of our Promoters, Directors and key managerial personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.*

Certain of our Promoters, Directors and key managerial personnel may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Certain Directors and Promoters may be deemed to be interested to the extent of Equity Shares held by them and by members of our Promoter Group, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares.

In addition, certain of the premises where our laboratories are located have been taken on lease by the Company from the Promoters. For more information, see “— *We have entered into certain related party transactions, and we may continue to do so in the future.*”

34. Any conflict of interest which may occur between our business and the business of the members of our Promoter Group and/or our current private equity investors, could adversely affect our business, prospects, results of operations, cash flows and financial condition.

Certain members of our Promoter Group are authorized under their constitutional documents to engage in a similar line of business as us. We cannot assure you that our Promoters will not favor the interests of such entities over our interests, or that the attention of our Promoters to the business of our Company would not stand diluted. We have not entered into any non-solicitation or non-competition arrangements to address any conflict which may arise in the future with respect to the business of our Company and such entities. While none of the members of our Promoter Group have undertaken any business in conflict with our Company to date, though authorized to do so by their constitutional documents, there is no assurance that such a conflict will not arise in the future, or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations. There can be no assurance that our Promoters or members of our Promoter Group will not provide comparable services, expand their presence, solicit our employees or acquire interests in competing ventures in the locations or segments in which we operate, which could have an adverse effect on our business, prospects, results of operations and financial condition. Additionally, our current private equity investors are in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us.

35. Some of our records relating to forms filed with the Registrar of Companies, certificates issued by the practicing company secretary in relation to buy back of equity shares undertaken by our Company and share transfer forms are not traceable. We cannot assure you that these form filings and certificates issued by the practicing company secretary will be available in the future or that we will not be subject to any penalties imposed by the relevant regulatory authority in this respect.

We have been unable to locate copies of certain of our corporate records, such as prescribed forms filed by us with the Registrar of Companies, including, Form 32 filed in respect of the appointment of directors of our Company and Form 18 filed in respect of the registered office of our Company and for certain subsidiaries. While we believe that these forms were duly filed on a timely basis, we have not been able to obtain copies of these documents from the Registrar of Companies or otherwise. In addition, we have been unable to locate the copies of compliance certificates issued by the practicing company secretary in relation to certain buy-backs of equity shares undertaken by our Company. In addition, we have been unable to locate share transfer deeds executed in relation to share transfers. We cannot assure you that these form filings, the certificates and the share transfer deeds will be available in the future or that we will not be subject to any penalties imposed by the relevant regulatory authority in this respect.

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

Our Company takes reasonable steps to establish and maintain adequate compliance and disclosure procedures, systems and controls, and to maintain effective internal controls over financial reporting in order to produce reliable financial reports, and prevent financial fraud. Internal controls over financial reporting must be reviewed on an ongoing basis as risks evolve, and the processes to maintain such internal controls involve human diligence and compliance and are subject to lapses in judgment and breakdowns resulting from human error. To the extent that there are lapses in judgment or breakdowns resulting from human error, the accuracy of our Company's financial reporting could be affected, resulting in a loss of investor confidence and a decline in the price of our Company's shares.

Our operations are subject to anti-corruption laws and regulations. These laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under these laws or other local anti-corruption laws. While our code of conduct requires our employees and intermediaries to comply with all applicable laws, and we continue to enhance our policies and procedures in an effort to ensure compliance with applicable anti-corruption laws and regulations, these measures may not prevent the breach of such anti-corruption laws, as there are risks of such breaches in emerging markets, such as India, including within the healthcare sector. In addition, we cannot predict the nature, scope or effect of future regulatory requirements to which our operations might be subject or the manner in which existing laws might be administered or interpreted.

There is no assurance that we will be completely effective in ensuring our compliance with all applicable anti-corruption laws. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our reputation, our business, results of operations and financial condition.

The United States, through sanctions overseen primarily by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") and the U.S. State Department, and the European Union and its Member States have laws that regulate, restrict or prohibit certain business activities in sanctioned countries or dealing with certain individuals or entities within such countries or with significant ties to such countries. Any failure to comply with these laws and regulations may expose our Company to risk of adverse and material financial, operational, or other impacts.

Sanctions regimes and related laws and regulations are complex and constantly changing. Sanctions regimes and related laws and regulations may be enacted, amended, enforced or interpreted in a manner that materially impacts our Company's operations. Neither the Company nor its affiliates, to the best of our knowledge, are the subject, or have ever been the subject, of any sanctions or a related government investigation or enforcement action.

If the Company or its affiliates are found to be in violation of sanctions laws, it or its affiliates could be subject to financial or other penalties. Even where there is no violation of sanctions laws, government investigations or other actions by pressure groups related to the conduct of business in countries subject to international sanctions may result in reputational or other harm to the Company.

37. We are subject to certain covenants under our credit facilities that place restrictions on us and may affect our business, operations and cash flows.

There are restrictive covenants in the agreements we have entered into with our lenders. Our financing arrangements contains various financial and restrictive covenants, including covenants that provide that during the currency tenure of the lenders' credit facilities, our Company shall not, without the bank's prior written permission alter the shareholding of its promoters or undertake any additional borrowings, and there can be no assurance that such permissions, if sought, would be granted in a timely manner or at all. Furthermore, certain working capital and overdraft facilities availed by our Company and Subsidiaries may be recalled by the lenders at any time.

Such restrictive covenants in our loan documents, or untimely demand for repayment of our loan facilities, may restrict our operations or ability to expand, and may adversely affect our business. For further details of these facilities, see the section entitled "*Financial Indebtedness*" on page 356.

Our financing arrangements also require us to maintain specified financial capital ratios. In the event of any breach of any covenant contained in these financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs.

Any additional financing that we require to fund our expenditure, if met by way of additional debt financing, may place restrictions on us, which may, among other things, increase our vulnerability to general adverse economic and industry conditions, limit our ability to pursue our growth plans, require us to dedicate a substantial portion of our cash flow from operations to make payments on our debt, thereby reducing the availability of our cash flow to fund capital expenditures, meet working capital requirements and use for other general corporate purposes, limit our flexibility in planning for, or reacting to changes in our business and our industry, either through the imposition of restrictive financial or operational covenants or otherwise.

38. Any increase in or realization of our contingent liabilities could adversely affect our financial condition.

As of March 31, 2013, March 31, 2014 and March 31, 2015, our aggregate contingent liabilities, in accordance with the provisions of Accounting Standard - 29 – Provisions, Contingent Liabilities and Contingent Assets, were ₹ 72.00 million, ₹ 69.05 million and ₹ 69.86 million, respectively. The details of our contingent liabilities as of March 31, 2015 are as follows:

	As at March 31, 2015 (₹ million)
Claims against the Company by a vendor not acknowledged as debt	59.80
Other claims against the Company not acknowledged as debts	10.06

For further details, see the section entitled “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” on page 335. There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Fiscal Year or in the future. In the event that any of our contingent liabilities were to be recognized on our financial statements, they could materially and adversely affect our financial condition.

39. *In the future, increases in accounts receivable or other billing risks could adversely affect our financial condition and cash flows.*

In the future, if the Company bills insurance companies, physicians, hospitals or employer groups other than on a fee-for-service basis, our income could be adversely affected.

The amount and age of our accounts receivable could increase in the future, causing an adverse effect on the Company's business including its cash flow. Previously, the Company has experienced delays in payments with certain governmental agencies, corporate customers and hospitals. There is the risk that similar delays will occur in the future, adversely affecting our cash flow and financial results.

40. *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 in the past of tax authorities levying or contemplating the levy of service taxes on healthcare service providers, or disallowing or investigating exemptions or deductions claimed by tax assesses on such parameters. This matter has yet not been clarified through appropriate tax legislation, or by the appellate courts in India.

For instance, 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 was not implemented in the Union Budget at the time, or since that time, 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 as may be introduced will not be introduced with retrospective effect. In such an event in the future, we may be required to obtain service tax registrations, or to incur significant costs on account of service tax liability, including if arrears of service tax are claimed from us on account of the relevant tax legislation being made effective retrospectively. Additionally, service tax related investigation or demand may be initiated against us in the future as a result of which, a penalty may be levied on us in addition to a demand for the payment of service tax (including arrears in payment of service tax, in the case of a retrospective levy) that may be claimed from us in this regard. An adverse determination in any such future proceedings in the may adversely affect our business, financial condition, results of operations and prospects.

41. *The recent amalgamation of our former subsidiaries with our Company is yet to be taken on record by the RoC.*

Pursuant to a scheme of amalgamation approved by Board resolution on September 27, 2013 (“**Scheme**”), certain of our former wholly owned subsidiaries, namely, Sanya Chemicals Private Limited, Amolak Diagnostics Private Limited, Medex Healthcare Private Limited, Medicave Diagnostic Centre Private Limited and Medicave Medical Systems Private Limited (“**Transferor Subsidiaries**”), have recently amalgamated with our Company. For further details of the Scheme and the amalgamation, see the section entitled “*History and Certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets*” on page 160.

Our Company and the Transferor Subsidiaries have filed petitions under Sections 391 to 394 of the Companies Act, 1956, before the relevant High Courts, namely, the Bombay High Court, the High Court of Telangana and Andhra Pradesh, the Calcutta High Court and the High Court of Rajasthan for the Transferor Subsidiaries, and the Delhi High Court for our Company. While the relevant High Courts in relation to the respective Transferor Subsidiaries approved the Scheme, the Delhi

High Court held that there was no requirement of holding meetings of creditors or shareholders of our Company, or for filing a petition sanctioning the Scheme, since the Scheme contemplated the amalgamation of wholly owned subsidiaries with their holding company (the “Delhi High Court Order”). Consequently, our Company withdrew the application.

Thereafter, the Transferor Subsidiaries filed the respective High Court orders with the relevant Registrar of Companies. On July 3, 2015, in order to notify the RoC of the effectiveness of the Scheme and the increase in authorized share capital of our Company consequent to the amalgamation, our Company filed the necessary form with the Delhi High Court Order (“RoC Form”) with the RoC. The RoC, by responses dated July 3, 2015 and July 6, 2015, directed our Company to submit a condonation of delay from the Delhi High Court, since the RoC Form was filed after a period of 30 days from the date of the Delhi High Court Order.

We believe, based on legal advice, that since the Delhi High Court Order was not an order sanctioning the Scheme under Sections 391 to 394 of the Companies Act, 1956, our Company was not required to file a copy of the Delhi High Court Order with the RoC either pursuant to the Scheme or pursuant to the applicable provisions of the Companies Act, 1956. The RoC Form was filed by our Company solely to notify the RoC regarding the amalgamation and consequent increase in the authorized share capital of our Company.

Based on this understanding, the Scheme has become operative and the Transferor Subsidiaries stand amalgamated with our Company from the effective date, May 21, 2015, and has been given effect from the appointed date, April 1, 2013. The revenues of the Transferor Subsidiaries have also been consolidated with our Company with effect from April 1, 2013. For further details see “*Financial Information*” on page 196. Further, the authorized share capital has also been increased to ₹ 970 million, pursuant to a separate approval of the RoC received on August 19, 2015.

There can be no assurance that the RoC Form will be taken on record by the RoC in a timely manner, or at all. In the event the RoC does not take the RoC Form on record, the status of the Transferor Subsidiaries shall continue to remain as ‘active’ companies, which could be deemed to result in contravention of, among other things, regular reporting requirements under applicable provisions of the Companies Act, 2013, by the Transferor Subsidiaries, including the requirements for filing annual returns. Further, in the event we are required to approach the Delhi High Court for condonation of delay, there can be no assurance that such condonation will be granted, or that no order will be passed which may have an adverse effect on the amalgamation.

42. We have not made any provision in our consolidated financial statements for a potential decline in value of our investments.

Pursuant to agreements entered into by our Company, our Company has purchased 70% of the equity interests in our Subsidiaries, Paliwal Medicare Private Limited and Paliwal Diagnostics Private Limited, and the entire equity interest in our Subsidiary, APL Institute of Clinical Laboratory and Research Private Limited. For further details in relation to these investment agreements and consideration paid by our Company for such investments, see the section entitled “*History and Certain Corporate Matters*” on page 157. In addition, we will likely continue to invest in equity and other financial instruments in future. We have not made any provision in our financial statements in respect of any potential loss which may be caused due to any decline in the value of such investments or any other investments we make in the future. If the value of our investments were to decline significantly, there could be a material adverse effect on our financial condition and results of operations.

43. We may not be able to develop and successfully market new services, which would materially and adversely affect our business, financial condition, results of operations, prospects and cash flows.

Our success depends on our ability to anticipate industry trends and identify, develop and market in a timely and cost-effective manner new value-added services that meet customer demand. Examples include additional disease screening offerings, advanced health management and wellness services and educational services. Developing new services in a timely and cost-effective manner can be difficult, particularly because services can change with market preferences. Our understanding of the market and evolving customer preferences may not lead to new services that are commercially successful. We may also experience delays or be unsuccessful in any stage of service development, introduction or implementation. We may not be able to successfully market our new services or our end customers may not be receptive to our new services. Our competitors’ service development capabilities may be more effective than ours, and their new services may reach the market before ours. Our competitors may also be more effective or less expensive than us. The introduction of new or similar services by our

competitors may result in price reductions on our services or reduced margins or loss of market share. Our new services may impact our gross margins depending on the level of market acceptance and pricing environment for each service.

The success of any of our new services also depends on several other factors, including our ability to:

- optimize our staffing and procurement processes to predict and control costs;
- integrate new service offerings into our network in a timely manner;
- minimize the time and costs required to obtain required regulatory clearances or approvals;
- anticipate and compete effectively with competitors, including pricing our services competitively; and
- increase end customer awareness and acceptance of our services.

If we are unable to develop new services in a timely manner to meet market demand, or if there is insufficient demand for our new services, our business, financial condition, results of operations and prospects may be materially and adversely affected.

44. Our Company has issued Equity Shares during the last one year at a price that may be below the Offer Price.

Our Company has issued the following Equity Shares in the last 12 months, details of which are provided below:

Date of Allotment	No. of Equity Shares	Issue Price (₹)	Reasons for Allotment	Nature of Consideration
October 8, 2014	77,408	1,108.00	Allotment pursuant to ESOP 2010	Cash
January 16, 2015	768	1,108.00	Allotment pursuant to ESOP 2010	Cash
March 30, 2015*	169,360	110.80	Allotment pursuant to ESOP 2010	Cash
April 23, 2015*	124,480	110.80	Allotment pursuant to ESOP 2010	Cash
June 3, 2015*	64,000	110.80	Allotment pursuant to ESOP 2010	Cash
June 10, 2015*	181,920	110.80	Allotment pursuant to ESOP 2010	Cash
August 21, 2015*	637,637	110.80	Allotment pursuant to ESOP 2010	Cash
September 7, 2015	7,492,645	-	Conversion of 7,492,645 CCPS	Other than cash

* Pursuant to a resolution of our shareholders dated March 27, 2015, each equity share of face value ₹ 100 each was split into ten equity shares of ₹10 each, and accordingly, 5,446,016 equity shares of ₹100 each were split into 54,460,160 equity shares of ₹10 each.

All of the above stated issuances may be at a price lower than the Offer Price. For further details, see the section entitled “Capital Structure — Notes to Capital Structure — Equity Shares issued at a price which may be lower than the Offer Price during the preceding one year” on page 89.

45. The Offer for Sale proceeds will not be available to us.

As of the date of this Draft Red Herring Prospectus, (Hony.) Brig. Dr. Arvind Lal, Dr. Vandana Lal, Eskay House (HUF) and Mr. Anjaneya Lal, have, severally and not jointly, specifically confirmed that they hold 28,234,880 Equity Shares, 17,988,640 Equity Shares, 1,920,000 Equity Shares and 2,240,000 Equity Shares, respectively, and that they have consented to offer up to 1,261,996 Equity Shares, 2,056,747 Equity Shares, 238,226 Equity Shares and 550,386 Equity Shares, respectively, for sale in the Offer for Sale. Further, Wagner has specifically confirmed that it holds 5,860,800 Equity Shares and that it has consented to offer up to 5,860,000 Equity Shares for sale in the Offer for Sale by way of its board resolution dated August 31, 2015. WCF has specifically confirmed that it holds 1,472,375 Equity Shares and that it has consented to offer up to 1,471,575 Equity Shares for sale in the Offer for Sale by way of its board resolution dated August 21, 2015 and SIH has specifically confirmed that it holds 161,070 Equity Shares and that it has consented to offer up to 161,070 Equity Shares for sale in the Offer for Sale by way of its board resolution dated August 21, 2015. For further details, see the section entitled “The Offer” on page 58. The proceeds from the Offer for Sale will be remitted to the Promoter Selling Shareholders and the Investor Selling Shareholders, and our Company will not benefit from such proceeds.

External Risks

Risks Relating to Doing Business in India

46. Companies operating in India are subject to a variety of central and state government taxes and surcharges, and any increase in tax rates —such as the application of national goods and services tax to the healthcare services we provide —could adversely affect our business, results of operations and cash flows.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time.

For instance, the Government of India has proposed a comprehensive national goods and services tax (“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 any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Recently, the Central Government pursuant to a notification dated May 19, 2015 notified an increase in service tax rate from 12.36% to 14% (with effect from June 1, 2015), as was proposed in Union Budget 2015. The levy of Education Cess and Secondary and Higher Education Cess on taxable services ceased to have effect from June 1, 2015. 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. Additionally, the central or state government may in the future increase the corporate income tax it imposes.

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. Any additional tax expenses which we could become subject to could adversely affect our business and results of operations, particularly if we are not able to pass along the impact of such taxes onto our customers.

Moreover, in the event of imposition of service tax on diagnostic or other healthcare services, we may be required to significantly increase the cost of such services offered by us at our centers, which may reduce demand for our diagnostic and healthcare services, or our profitability may be severely affected if we are unable to pass on our service tax liability to our patients by increasing the costs of our services (particularly at our clinical laboratories located in Tier II and Tier III cities in India, where average household incomes and patients’ ability to afford diagnostic or other healthcare services such as we offer may be relatively lower).

47. Economic, political and other factors beyond our control may affect our ability to run our business, increase our costs and negatively affect our stock price.

Economic and political factors that are beyond our control can influence and directly affect our performance. The following external risks may have an adverse impact on our business, financial condition, results of operations and cash flows, should any of them materialize:

- an increase in interest rates may adversely impact our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- the Indian economy has had sustained periods of high inflation in the recent past. High rates of inflation may increase our employee costs and decrease demand for our products and services, which may have an adverse effect on our profitability and competitive advantage, to the extent that we are unable to pass on increased employee costs by increasing cost of our products and services;
- a downgrade of India’s sovereign rating by international credit rating agencies may adversely impact our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- a decline in India’s foreign exchange reserves may affect liquidity and interest rates in the Indian economy as well as the valuation of the Indian Rupee, which may adversely impact our financial condition;

- political instability, resulting from a change in government or in economic and fiscal policies, may adversely affect economic conditions in India; and
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war may adversely affect the financial markets, which may impact our business, financial condition, results of operations and cash flows.

48. Political instability or changes in the Government of India or in the government of the states where we operate could cause us significant adverse effects.

We are incorporated in India and the vast majority of our operations, assets and personnel are located in India. Consequently, our performance and the market price and liquidity of our Equity Shares may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The central government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares may be affected by changes in central government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive central governments have pursued policies of economic liberalization and financial sector reforms. However, there can be no assurance that such policies will be continued. A significant change in the central government's policies, in particular, those relating to the diagnostic healthcare services industry in India, could adversely affect our business, financial condition, cash flows and results of operations and could cause the price of our Equity Shares to decline.

Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have an adverse effect on the market for our Equity Shares. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the power generation and power generation equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

49. Changing laws, rules and regulations and legal uncertainties, including adverse application of healthcare, corporate and tax laws, or changes to government scheme tariffs, payment terms or reimbursement policies may adversely affect our business, financial condition, results of operations, prospects and cash flows.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, financial condition, results of operations, cash flows and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

For instance, the Companies Act 2013, several provisions of which (including rules issued thereunder) have been recently notified, contains significant changes to Indian company law, including in relation to the issue of capital by companies, related party transactions, corporate governance, audit matters, shareholder class actions, restrictions on the number of layers of subsidiaries and corporate social responsibility. Compliance with such requirements may require significant financial and administrative resources, and any failure to comply may adversely affect our business and prospects.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. If a determination is made that we were in violation of such laws, rules or regulations, including conditions in the permits required for our operations, we may have to pay fines, modify or discontinue our operations, incur additional operating costs or make capital expenditures and our business, financial positions, results of operations or cash flows could be adversely affected.

In addition, government schemes are a source of revenue for us. As a result, if the applicable tariffs specified in the agreements with government payers are revised downwards, or if the extent of coverage or limits are reduced, or if the payment terms are made longer, or if the reimbursement policies are changed in the agreements with the government payers,

or if the government payers terminate their agreements with us, our number of new patient registrations will decline and our revenue and profitability could be negatively affected.

50. Our operations may be adversely impacted by the effects of health pandemics, civil disturbances, social unrest, hostilities or acts of terrorism, natural disasters such as extreme weather events and other criminal activities.

Certain events that are beyond our control, such as health pandemics, terrorist attacks, natural calamities and other acts of violence or war, may adversely affect worldwide financial and Indian markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy.

India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country leading to overall political and economic instability, it could have a materially adverse effect on our business, financial condition, cash flows, results of operations and the trading price of our Equity Shares.

India has experienced natural calamities such as earthquakes, tsunamis, floods and droughts in the past. Instances of floods or other natural calamities could have an adverse effect on our business and the price of our Equity Shares.

Such events may result in a temporary decline in the number of patients who seek clinical testing services or in our employees' ability to perform their job duties. In addition, such events may temporarily interrupt our ability to transport specimens, to receive materials from our suppliers or otherwise to provide our services.

51. The market value of an investor's investment may fluctuate due to the volatility of the Indian securities markets.

Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities, and may experience substantial fluctuation in the future. The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

52. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.

The restated consolidated and unconsolidated financial statements provided in this Draft Red Herring Prospectus are based on our consolidated and unconsolidated financial statements, which in turn are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For details, see "Certain Conventions, Use of Financial Information and Market Data and Currency of presentation." Accordingly, the degree to which the restated financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

India has decided to adopt the "Convergence of its existing standards with IFRS" and not the IFRS, which was announced by the MCA, through the press note dated January 22, 2010. These "IFRS based / synchronized Accounting Standards" are referred to in India as IND(AS). The Ministry of Corporate Affairs, Government of India has issued the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015 which shall come into force on April 1, 2015 and pursuant to which the IND(AS) shall be mandatorily applicable to companies (except banking companies, insurance companies and non-banking financial companies) effective from (i) the accounting periods beginning on or after April 1, 2016 (with comparatives for the period ending March 31, 2016 or thereafter), for all companies with net worth of ₹ 5,000 million or more; and (ii) the accounting periods beginning on or after April 1, 2017 (with comparatives for the period ending March 31, 2017 or thereafter) for listed or to be listed companies (companies whose equity and/or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India) with net worth less than ₹ 5,000 million and unlisted companies with net worth between ₹ 2,500 million and ₹ 5,000 million. These requirements would also apply to any holding, subsidiary, joint venture or associate companies of such aforementioned companies. Further, the Companies Act, 2013 requires the audit report

of a company to state the adequacy of internal financial controls system and its operating effectiveness for financial years commencing on or after April 1, 2015.

Further, we have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IND(AS) or to quantify the impact of the difference between Indian GAAP and IND(AS) as applied to its financial statements. There can be no assurance that the adoption of IND(AS) will not affect our reported results of operations or financial condition. Any failure to successfully adopt IND(AS) may have an adverse effect on the trading price of our Equity Shares.

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 IFRS-converged Indian Accounting Standards may adversely affect our financial condition.

53. A third party could be prevented from acquiring control of us because of the anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. These provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the takeover regulations an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our stakeholders, it is possible that such a takeover would not be attempted or consummated because of Indian takeover regulations.

54. Any downgrading of India's debt rating by an international rating agency could have a negative impact on the trading price of our Equity Shares.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial condition, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

55. Increasing employee compensation in India may erode some of our competitive advantage and may reduce our profit margins.

Employee compensation in India has historically been significantly lower than employee compensation in the United States and Western Europe for comparably skilled professionals, which has been one of our competitive strengths. Employee compensation in India is increasing at a faster rate than in the United States and Western Europe, which could result in increased costs relating to scientists and engineers, managers and other mid-level professionals. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Compensation increases may have a material adverse effect on our business, results of operations and financial condition.

56. Our business operations could be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers or other service providers we engage with.

Disputes with regard to wage demands and potential inability to negotiate acceptable contracts with employees could result in, among other things, labor unrest, strikes, work stoppages, or other slowdowns by the affected workers. If our workers were to engage in a strike, work stoppage, or other slowdown, we could experience a significant disruption of our operations or higher ongoing labor costs, either of which could have a material adverse effect upon our business. Additionally, future labor agreements, or renegotiation of labor agreements or provisions of labor agreements, could compromise service reliability and significantly increase costs, which could have a material adverse impact upon our business. Similarly, if the workers of a service provider we engage with were to engage in a strike, work stoppage or other slowdown, we could also experience a significant disruption of our operations or higher costs, which could have a material adverse effect upon our business.

57. Foreign investors are subject to foreign investment restrictions under Indian law that may limit our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI or in the alternate, the pricing is in compliance with the extant provisions of the SEBI Regulations. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on any particular terms or at all.

58. Our business may be adversely affected by competition laws in India.

The Competition Act, 2002 (the “Competition Act”), was enacted for the purpose of preventing practices having an appreciable adverse effect on competition in India, and has mandated the Competition Commission of India (the “CCI”) to regulate such anti-competitive practices. Under the Competition Act, any arrangement, understanding or action in concert, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India are void and may result in substantial monetary penalties. Any agreement among competitors which directly or indirectly determines purchase or sale prices, directly or indirectly results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or the provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. Further, the Competition Act prohibits the abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and may be punished. If we or any of our employees is penalized under the Competition Act, our business may be adversely affected.

On March 4, 2011, the Government of India notified and brought into force the provisions under the Competition Act in relation to combinations (the “Combination Regulation Provisions”) with effect from June 1, 2011. The Combination Regulation Provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset- and turnover-based thresholds, shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, which sets out the mechanism for implementation of the Combination Regulation Provisions under the Competition Act. The manner in which the Competition Act and the CCI affect the business environment in India may adversely affect our business, financial condition and results of operations.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed or undertaken by us, or any enforcement proceedings initiated by CCI for alleged violation of provisions of the Competition Act may adversely affect our business, financial condition or results of operations.

59. Investors may not be able to enforce a judgment of a foreign court against us or our management.

The enforcement of civil liabilities by overseas investors in our Equity Shares, including the ability to effect service of process and to enforce judgments obtained in courts outside of India may be adversely affected by the fact that we are incorporated under the laws of the Republic of India and all of our executive officers and Directors reside in India. As a result, it may be difficult to enforce the service of process upon us and any of these persons outside of India or to enforce outside of India, judgments obtained against us and these persons in courts outside of India.

Further, it may be unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws.

Risks Associated with our Equity Shares

60. The price of our Equity Shares may be highly volatile after the Offer.

The trading price of our Equity Shares on the Indian stock exchanges is likely to be volatile and subject to wide price fluctuations in response to various factors, including:

- volatility in the Indian and global securities market;
- our operations and performance;
- performance of our competitors and the perception in the market about investments in the diagnostic healthcare services industry;
- adverse media reports on us or the Indian diagnostic healthcare services industry;
- changes in the estimates of our performance or recommendations by financial analysts;
- significant developments in India's economic liberalization and deregulation policies;
- significant developments in India's fiscal and environmental regulations;
- indebtedness in the future;
- introduction of new products and services by us or our competitors;
- additions or departures of key personnel;
- sales of large blocks of our Equity Shares; and
- litigation or governmental investigation.

These and other factors may cause the market price and demand for our Equity Shares to fluctuate substantially, which may limit or prevent investors from readily selling their Equity Shares and may otherwise negatively affect the liquidity of our Equity Shares.

The trading market for our Equity Shares will also be influenced by the research and reports that industry or securities analysts publish about us or our business. As a new public company, we do not currently have and may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence coverage of our company, the trading price for our Equity Shares would be negatively impacted. If we obtain securities or industry analyst coverage and if one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if one or more of the analysts who cover us downgrades our stock, or if our results of operations do not meet their expectations, our stock price could decline.

61. Our securities have no prior public market and the price of our Equity Shares may decline after the Offer, and an active trading market for our Equity Shares may not develop.

Prior to this Offer, there has been no public market for our Equity Shares. We will apply for final approval for listing only after closing and allotment. Further, once we are listed on the Stock Exchanges, an active public trading market for our Equity Shares may not develop or, if it develops, may not be maintained. Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the BRLMs, will determine the Offer Price through a book-building process. The Offer Price may be higher than the trading price of our Equity Shares following this Offer. As a result, investors may not be able to sell their Equity Shares at or above the Offer Price or at the time that they would like to sell. The market price of our Equity Shares after the Offer may be subject to significant fluctuations in response to factors such as, variations in our results of operations, market conditions specific to the diagnostic healthcare services industry in India, the economic conditions of India and volatility of the securities markets in India and elsewhere in the world.

62. There is no guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner or at all, and any trading closures at the Stock Exchanges may affect a shareholders ability to sell any of the Equity Shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. In addition, we are required to deliver the Red Herring Prospectus and the Prospectus for registration to the Registrar of Companies under the Companies Act, 2013. We cannot assure you that the Registrar of Companies will register such Red Herring Prospectus or Prospectus in a timely manner or at all. Approval requires all relevant documents authorizing the issue of Equity Shares to be submitted to Stock Exchanges. There could be a failure or delay in listing the Equity Shares on BSE and NSE. In accordance with applicable laws, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

Further, pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Trading in the Equity Shares is expected to commence within 12 Working Days from the Bid Closing Date. However, we cannot assure you 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 your Equity Shares.

63. Conditions in the Indian securities market and economic developments may affect the price or liquidity of our Equity Shares.

The Indian securities markets are smaller than securities markets in more developed economies, and there may be less information available about companies listed on Indian stock exchanges than companies listed on stock exchanges in other countries. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of our Equity Shares could be adversely affected.

64. Any future capital raising exercise, the exercise of existing stock options or sales of our Equity Shares by any existing shareholders could significantly affect the trading price of our Equity Shares and may dilute your shareholding.

We may need to raise additional capital in the future, including for purposes of our expansion strategy that includes expanding our business and investing in research and development of new services and processes, which demand significant resources. We cannot guarantee that our operations will be sufficient to wholly fund our expansion strategy. If we are obligated to seek resources in the financial and capital markets, they may prove to be unavailable, or may only be available on unfavorable conditions, which may limit the growth and development of our business and adversely affect our financial condition and results of operations.

To fund future growth plans, we may raise further capital by way of a subsequent issue of equity shares in either the domestic or overseas market. Any such issuance of equity shares would dilute current investors' shareholdings in our Company. Any such future issuance of equity shares or sales of equity shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. In addition, further grants under our existing or future employee stock option plans may also affect the value of our Equity Shares.

Further, the public's perception of any such further issue may also affect the value of our Equity Shares. In addition, a sale by the major shareholders of all or a portion of their shareholding or issuance of stock options under our existing or future employee stock option plans may affect the value of our Equity Shares. There can be no assurance that we will not issue further equity shares or that the major shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

65. There will be restrictions on daily movements in the price of our Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

Following the Offer, our Equity Shares will be subject to a daily “circuit breaker” imposed on listed companies by stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The maximum movement allowed in the price of the Equity Shares before the circuit breaker is triggered is determined by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform us of the triggering point of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

66. You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares are generally taxable in India. Any gain realized on the sale of our Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax has been paid on the transaction. The securities transaction tax will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realized on the sale of our Equity Shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no securities transaction tax has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of our 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 from taxation in India 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. There can be no assurance that we will pay dividends in the future.

Whether we will pay dividends in the future and the amount of any such dividends, if declared, will depend on a number of factors, including our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors considered relevant by our Board of Directors and shareholders. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Our ability to pay dividends may also be restricted under certain financing arrangements that we may enter into. There can be no assurance that we will, or have the ability to, declare and pay any dividends on the Equity Shares at any point in the future.

68. Rights of shareholders under Indian law 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 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 shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

69. We will incur significantly increased costs and other strains on our resources as a result of being a publicly-traded company.

We are not a listed company, and have not historically been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. Upon completion of this offering, we will become a publicly-traded company and expect to incur significant legal, accounting, corporate governance and other expenses that we did not incur as a private company. Various rules and regulations of the stock exchanges and other regulatory agencies in India impose various requirements on our corporate governance and other practices, and we expect these rules and regulations to increase our legal and financial compliance costs and to make some corporate activities more time-consuming and costly. For example, we will be subject to the Equity Listing Agreements which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations, and/ or we may be unable to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

Further, as a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures, and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures, and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from other business concerns, which may adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

We also expect that operating as a publicly-traded company will make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. In addition, we will incur additional costs associated with our public company reporting requirements. It may also be more difficult for us to find qualified persons to serve on our board of directors or as executive officers. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate with any degree of certainty the amount of additional costs we may incur or the timing of such costs.

Prominent Notes

- Initial public offering of up to 11,600,000 Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] million through an Offer for Sale by the Selling Shareholders, of which, as severally and not jointly, specifically confirmed by each of the Selling Shareholders: (i) up to 1,261,996 Equity Shares aggregating up to ₹ [●] million are being offered by (Hony.) Brig. Dr. Arvind Lal, (ii) up to 2,056,747 Equity Shares aggregating up to ₹ [●] million are being offered by Dr. Vandana Lal, (iii) up to 238,226 Equity Shares aggregating up to ₹ [●] million are being offered by Eskay House (HUF), (iv) up to 550,386 Equity Shares aggregating up to ₹ [●] million are being offered by Mr. Anjaneya Lal, (v) up to 5,860,000 Equity Shares aggregating up to ₹ [●] million are being offered by Wagner, (vi) up to 1,471,575 Equity Shares aggregating up to ₹ [●] million are being offered by WCF, and (vii) up to 161,070 Equity Shares aggregating up to ₹ [●] million are being offered by SIH. The Offer would constitute up to 14.10% of the post-Offer paid-up capital of our Company.
- As of March 31, 2015, the net worth of our Company was ₹ 3,192.37 million and ₹ 3,410.82 million as per our restated unconsolidated and restated consolidated financial statements, respectively.
- As of March 31, 2015, the net asset value per Equity Share was ₹ 53.56 and ₹ 57.56 as per our restated unconsolidated and restated consolidated financial statements, respectively.
- The average cost of acquisition per Equity Share by our Promoters, calculated by taking the average of the amounts paid by our Promoters to acquire Equity Shares, is as given below:

Name of Promoter	Average cost of acquisition per Equity Share (₹)
(Hony.) Brig. Dr. Arvind Lal	0.27
Dr. Vandana Lal	0.28
Eskay House (HUF)	0.63

For further details in relation to the shareholding of our Promoters, see “*Capital Structure*” on page 71.

- There are no financing arrangements pursuant to which our Promoter Group, Directors and/ or their immediate relatives have financed the purchase of Equity Shares by any other person other than in the ordinary course of business during the six months preceding the date of filing of this Draft Red Herring Prospectus with SEBI.
- The name of our Company was changed to ‘Dr. Lal PathLabs Limited’ upon conversion of our Company into a public limited company pursuant to a special resolution of the shareholders of our Company dated August 7, 2015 and a fresh certificate of incorporation was issued by the RoC on August 19, 2015.
- There has been no change in our Registered Office since the incorporation of our Company.

- For details of transactions entered into by our Company with our Subsidiaries in Fiscal Year 2015, including nature and cumulative value of such transactions, see the section titled “*Related Party Transactions*” on page 194.
- Investors may contact any of the Book Running Lead Managers, who have submitted the due diligence certificate to SEBI, for any complaint pertaining to this Offer.
- All grievances relating to ASBA process may be addressed to the Registrar to the Offer, with a copy to the relevant SCSBs giving full details such as the name and address of the Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, PAN, number of Equity Shares applied for, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs or the Syndicate Bidding Centre where the Bid cum Application Form has been submitted by the ASBA Bidder. All grievances relating to Bids submitted through the Registered Broker may be addressed to the Stock Exchanges with a copy to the Registrar.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

Healthcare Market in India

Healthcare spends in India stand at a low 4% of GDP

According to the Global Health Expenditure Database compiled by the World Health Organization (“WHO”), India’s total expenditure on healthcare was 4% of India’s gross domestic product (“GDP”) as of 2013. India’s nominal gross domestic product in 2013-2014 was ₹ 104.7 trillion (Nominal GDP with 2004-2005 base). Accordingly, the total healthcare expenditure in India during 2013-2014 can be estimated at around ₹ 4.2 trillion.

India trails not just developed countries such as the United States and the United Kingdom, but also developing countries, such as Brazil, Russia, China and Thailand, in healthcare spending as a proportion of GDP. This is primarily due to the under-penetration of healthcare services and lower consumer spending on healthcare.

India’s average healthcare expenditure from 2004 to 2013 is 4% of GDP. The total health expenditure in 2013 has improved compared to the average of 3.8% of GDP between 2010 and 2012. However, the total health expenditure is still lower than the average of 4.3% of GDP between 2004 and 2006.

The share of government expenditure on healthcare in India has improved from 21.9% in 2004 to 32.2% in 2013. However, India ranks lower as compared to other developing countries, like China, Brazil, Russia, Indonesia and Malaysia, on general government expenditure on health as a percentage of total expenditure on health.

India’s per capita total expenditure on healthcare (at the international dollar rate, adjusted for purchasing power parity) was US\$215 in 2013, versus US\$9,146 for the United States, US\$3,311 for the United Kingdom and US\$1,454 for Brazil.

Private expenditure sector accounts for bulk of healthcare spend

In 2000, government expenditure accounted for around 27% of the total healthcare expenditure in India, which increased by 5.2% to 32.2% as of 2013. The private expenditure refers to expenditure from resources with no government control, such as voluntary health insurance, and the direct payments for health by corporations (profit, non-profit and non-governmental organizations) and households.

Structure of healthcare market in India

The healthcare market in India broadly comprises the following:

- *Healthcare delivery market (hospitals)* – as per CRISIL Research estimates, the Indian healthcare delivery market stands at ₹ 3,800 billion as of 2014-2015.
- *Pharmaceutical industry* – as per CRISIL Research’s estimates, the Indian pharmaceutical market, which comprises the domestic demand for formulations, stands at ₹ 746 billion as of 2014-2015.
- *Diagnostics industry* – as per CRISIL Research’s estimates, the Indian diagnostics industry currently stands at ₹ 377 billion as of 2014-2015.
- *Healthcare insurance industry* – The health insurance premium market stands at ₹ 175 billion as of 2013-2014, based on the report of the Insurance Regulatory and Development Authority (“IRDA”).

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

Healthcare delivery industry size estimated at ₹ 3.8 trillion in 2014-15

Based on health indicators for India released by the WHO's world health statistics survey, CRISIL Research estimates the size of the Indian healthcare delivery industry, in 2014-2015, at ₹ 3.8 trillion. The in-patient department ("IPD") accounted for 81% of the healthcare delivery industry, and the out-patient department ("OPD") accounted for the remaining 19%.

The in-patient department in a hospital generally consists of beds, operation theatre(s), intensive care unit, supportive services like nursing services, pharmaceutical services, laboratory and diagnostic centers and a central sterile and supply department ("CSSD"). CRISIL Research defines inpatients as patients who require overnight hospitalization. IPD revenues typically include room or bed rentals (including operation theatre charges), consultancy and surgery fees, diagnostic and pathology lab charges (for tests done during IPD stay) and consumables charges. CRISIL Research defines outpatients as patients who are not required to stay at the hospital overnight. OPD also includes consultancy, day surgeries and diagnostics, and excludes pharmaceuticals purchased from standalone outlets.

Indian diagnostics industry

Market size

In the spectrum of healthcare delivery services in India, diagnostic services play the role of an information intermediary, providing useful information for correct diagnosis and treatment of patients' diseases. Diagnostic services would have a lower share in overall healthcare spends, yet play a vital role in identifying problem areas and major illnesses.

Major diagnostic healthcare service providers in India offer a wide range of healthcare tests and services. The industry can be classified into imaging diagnostics and pathology testing services. Pathology testing or in vitro diagnosis involves reporting diagnostic information on the basis of collected samples (in the form of blood, urine and stool, among others) and then analyzing the samples in a lab to arrive at useful clinical information. Imaging diagnostics, or radiology, involves procedures such as taking X-rays and ultrasounds, which help mark anatomical and physiological changes inside a patient's body to help doctors diagnose the disease.

The industry can also be separated into urban and rural centers. Urban centers typically have modern facilities (at public and private hospitals, clinics, standalone centers and diagnostic chains) and higher prices for tests. Rural centers – largely primary health centers, government dispensaries and private dispensaries – generally have small-scale facilities and carry out basic tests where ticket sizes are usually lower than those charged in the urban centers.

CRISIL Research estimates the size of the diagnostics industry at around ₹ 377 billion in 2014-2015. Overall market for wellness and preventive diagnostics, as per CRISIL Research's estimations, was 6-8% of the total diagnostic services market in 2014-2015. CRISIL Research expects that the diagnostics industry will continue to grow by a CAGR of 16%-17% over the next three years to over ₹ 600 billion by 2017-2018.

Evidence-based treatment is slowly becoming the norm for many doctors as a correct diagnosis enables correct therapy and faster patient recoveries. Moreover, as literacy rates and disposable incomes rise, households increasingly demand better healthcare facilities and quality of care. This increase has also been boosted by the rise in urbanization and the increase in lifestyle-related diseases such as cardiac diseases, diabetes, hypertension and cancer, among others, prompting many healthcare service providers to enhance their offerings in metropolitan areas, and tier-I and tier-II cities.

Demand drivers for the Indian diagnostic industry

- Increase in evidence-based treatments
- Huge demand-supply gap
- Changing disease profiles
- Increase in health insurance coverage
- Need for greater health coverage as population and life expectancy increase
- Rising income levels make quality healthcare services more affordable
- Demand for lifestyle diseases-related healthcare services to grow

For further details, see the section titled "*Industry Overview*" on page 112.

SUMMARY OF BUSINESS

Certain data included in this section in relation to certain operating metrics, financial and other business information and data (such as the number of patients, clinical laboratories, patient service centers and pickup points, as well as gross revenue for various geographical segments, among others) have been reviewed and verified by Nangia & Co., third-party Chartered Accountants. However, data in relation to increases in walk-in patients from Fiscal Year 2013 to Fiscal Year 2015, material tests in terms of total consolidated revenue and total number of employees and consultants have been solely based on internal management data and has not been independently verified by the BRLMs or any independent accounting firm.

Overview

We are a provider of diagnostic and related healthcare tests and services in India. Through our integrated, nationwide network, we offer patients and healthcare providers a broad range of diagnostic and related healthcare tests and services for use in core testing, patient diagnosis and the prevention, monitoring and treatment of disease and other health conditions. Our customers include individual patients, hospitals and other healthcare providers and corporate customers. In Fiscal Year 2015, we collected and processed approximately 21.8 million samples from approximately 9.9 million patients.

Diagnostic healthcare testing is an essential element in the delivery of healthcare services, as it provides healthcare service providers with useful information for the diagnosis and treatment of diseases. According to CRISIL Research, the size of the Indian diagnostic healthcare services industry was approximately ₹ 377 billion (US\$6.0 billion) in Fiscal Year 2015, and it is projected to grow to over ₹ 600 billion (US\$9.6 billion) by Fiscal Year 2018. We believe that the increasing prescription of diagnostic tests and services by healthcare providers in India, combined with the growing focus on early detection and prevention of chronic and lifestyle diseases, such as diabetes, hypertension, heart disease and cancer, creates a significant market opportunity for us.

We focus on providing patients quality diagnostic and related healthcare tests and services. We believe our focus on the patient as a customer is a critical differentiator in the diagnostic and healthcare industries and, together with what we believe is our brand's recognition for quality diagnostic services, results in individuals and healthcare providers choosing us as their diagnostic healthcare service provider. This is because (i) in India, patients generally choose their diagnostic healthcare service provider and (ii) patients and healthcare providers seek quality healthcare service providers due to what we believe is a range in quality and reliability of diagnostic healthcare services in India. For example, from Fiscal Year 2013 to Fiscal Year 2015, walk-in patients to our clinical laboratories and patient service centers, as well as home collection patients, increased significantly and were a primary driver to our overall growth.

With over 3,368 diagnostic and related healthcare tests and services offered, we believe we are capable of performing substantially all of the diagnostic healthcare tests and services currently prescribed by physicians in India. Our diagnostic and related healthcare tests and services include (i) "routine" clinical laboratory tests — such as blood chemistry analyses and blood cell counts; (ii) "specialized" testing services — such as histopathology analyses, genetic marker-based tests, viral and bacterial cultures and infectious disease tests; and (iii) preventive testing services — such as screenings for hypertension, heart disease and diabetes. We perform these tests and services in our clinical laboratories using sophisticated and computerized instruments.

We have built a national, "hub and spoke" network that includes our National Reference Laboratory in New Delhi, 163 other clinical laboratories, 1,340 patient service centers and over 5,000 pickup points as of March 31, 2015. We believe our "hub and spoke" model, whereby specimens are collected across multiple locations within a region for delivery to a predesignated clinical laboratory for centralized diagnostic testing, provides greater economies of scale and offers a scalable platform for the continued growth of our business. Our network is present across India, including large cities such as New Delhi, Mumbai, Bengaluru, Chennai, Hyderabad and Kolkata. Our centralized information technology platform fully integrates our large network through a common logistics and payments system and tracks our operations and internal performance metrics, thereby enabling us to improve the efficiencies of our business.

Our management team has experience in the healthcare industry, and under their leadership, we have grown rapidly over the last several years. In Fiscal Year 2013, we collected 16.0 million samples from 7.7 million patients, which increased to 19.0 million samples from 9.0 million patients in Fiscal Year 2014 and to 21.8 million samples from 9.9 million patients in Fiscal Year 2015. From Fiscal Year 2013 to Fiscal Year 2015, (i) our total revenue grew from ₹ 4,544.77 million to ₹ 6,625.24 million, representing a CAGR of 20.7%; (ii) our EBITDA grew from ₹ 1,004.71 million to ₹ 1,588.87 million, representing a

CAGR of 25.8%; (iii) our profit for the year grew from ₹ 556.47 million to ₹ 949.97 million, representing a CAGR of 30.7%; and (iv) our consolidated net worth increased from ₹ 1,620.54 million to ₹ 3,410.82 million.

Competitive Strengths

Our key competitive strengths are:

- Business model focused on the patient as a customer and an established consumer healthcare brand associated with quality services, in a market where patients generally choose their diagnostic healthcare service provider.
- Well-positioned to leverage upon one of the fastest-growing segments of the Indian healthcare industry.
- A network whose growth yields greater economies of scale, combined with a “hub and spoke” model that is scalable for further growth.
- Centralized information technology platform that fully integrates our network and is scalable.
- Attractive financial performance, financial profile and return on invested capital.
- Experienced leadership team with strong industry expertise and successful track record.

Our Strategy

The key elements of our business strategy are as follows:

- Continue to expand our presence in the markets in which we operate.
- Expand into other markets in India through strategic acquisitions and partnerships.
- Increase the breadth of our diagnostic healthcare testing and services platform.
- Continue our focus on providing our customers quality diagnostic and related healthcare tests and services.
- Leverage our network efficiencies to expand our management of hospital-based and other clinical laboratories.

For further details, see the section titled “*Our Business*” on page 134.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated unconsolidated financial statements and restated consolidated financial statements as of and for the years ended March 31, 2011, March 31, 2012, March 31, 2013, March 31, 2014 and March 31, 2015. These financial statements have been prepared in accordance with Indian GAAP, applicable provisions of the Companies Act, 1956, Companies Act, 2013 and restated in accordance with the SEBI Regulations, and are presented in the section titled “Financial Statements” on page 196.

The consolidated summary financial information presented below should be read in conjunction with our restated unconsolidated financial statements and restated consolidated financial statements, the notes thereto and the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 335.

Restated unconsolidated financial information on assets and liabilities

(amounts in Rs. million)

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
(1) Equity & Liabilities					
Shareholders’ Funds					
(a) Share capital	812.62	803.10	50.20	50.19	50.57
(b) Reserves & surplus	2,379.75	1,354.93	1,468.31	1,070.05	875.46
(2) Non Current Liabilities					
(a) Long term borrowings	-	-	-	-	37.50
(b) Trade payables	82.06	62.68	51.62	30.45	15.99
(c) Other long term liabilities	114.70	140.03	106.39	62.98	49.83
(d) Long term provisions	-	1.07	0.01	14.49	11.36
(3) Current Liabilities					
(a) Short term borrowings	-	0.10	-	-	141.72
(b) Trade payables	328.11	318.10	280.83	216.47	155.47
(c) Other current liabilities	584.45	502.71	420.52	70.34	191.82
(d) Short term provisions	190.08	130.34	143.35	188.72	115.28
Total	4,491.77	3,313.06	2,521.23	1,703.69	1,645.00
Assets					
(4) Non Current Assets					
(a) Fixed Assets					
- Tangible fixed assets	863.78	730.18	691.58	667.88	662.87
- Intangible fixed assets	326.46	407.61	218.50	170.94	203.28
- Capital work in progress	9.46	1.66	5.22	3.95	0.32
- Intangible assets under development	-	-	-	58.25	-
(b) Non current investments	114.42	114.42	299.51	179.21	179.21
(c) Deferred tax assets (net)	251.01	194.88	124.43	24.44	20.44
(d) Long term loans and advances	136.46	184.17	83.79	165.24	99.21
(e) Other non current assets	31.52	23.58	22.16	22.66	14.83
(5) Current Assets					
(a) Current Investments	379.17	85.87	503.15	47.61	10.00
(b) Inventories	137.02	110.15	78.86	56.05	72.24
(c) Trade receivables	294.53	239.35	192.80	139.77	96.65
(d) Cash and bank balances	1,451.31	1,032.23	161.81	92.04	205.17
(e) Short term loans and advances	452.04	156.05	138.46	73.88	75.23
(f) Other current assets	44.59	32.91	0.96	1.77	5.55

Total	4,491.77	3,313.06	2,521.23	1,703.69	1,645.00
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Restated unconsolidated financial information on profit and losses

(amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Income					
Revenue from operations	6,366.11	5,407.88	4,211.70	3,191.29	2,246.56
Other income	35.06	31.09	26.91	7.74	6.32
Total revenue (A)	6,401.17	5,438.97	4,238.61	3,199.03	2,252.88
Expenses					
Cost of reagents, chemicals, surgicals and laboratory supplies consumed	1,347.64	1,144.74	918.06	717.98	587.04
Employee benefit expenses	1,312.11	993.22	911.01	515.91	361.24
Other expenses	2,197.63	1,926.88	1,517.55	1,163.61	765.84
Total expenses (B)	4,857.38	4,064.84	3,346.62	2,397.50	1,714.12
Earnings before interest, tax, depreciation and amortization (EBITDA) (A) – (B)	1,543.79	1,374.13	891.99	801.53	538.76
Depreciation and amortisation expense	318.44	314.51	183.22	181.03	120.42
Interest Income	(91.33)	(56.14)	(2.03)	(11.98)	(16.32)
Finance costs	3.91	2.36	3.57	25.05	5.87
Profit before tax, as restated	1,312.77	1,113.40	707.23	607.43	428.79
Tax expenses					
Current tax	489.20	444.03	318.47	201.34	138.97
Deferred tax charge / (credit)	(56.12)	(70.16)	(99.99)	(4.00)	5.57
Total tax expense	433.08	373.87	218.48	197.34	144.54
Profit for the year, as restated	879.69	739.53	488.75	410.09	284.25

Restated unconsolidated financial information on cash flows

(amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
A. Cash flow from operating activities					
Net profit before tax	1,312.77	1,113.40	707.23	607.43	428.79
Adjustments to reconcile profit before tax to net cash flows					
Depreciation / amortisation	318.44	314.51	183.22	181.03	120.42
Loss on sale/ disposal of fixed assets (net)	0.69	5.39	1.79	0.66	0.88
Loss on sale of current investments (net)	-	5.67	-	-	-
Bad debts / advances written off	1.29	2.55	2.51	2.79	1.92
Provision for doubtful debts and advances	22.44	16.42	5.84	1.66	4.87
Unspent Liability/ Miscellaneous balances written back	(0.03)	(2.57)	(0.38)	(0.38)	(0.30)
Dividend received (from current investments - other than trade)	(21.91)	(13.88)	(21.24)	(0.67)	(0.71)
Income from long term investments in mutual funds (other than trade)	(1.61)	-	-	(0.05)	(0.70)
Dividend from investment in a Subsidiary company	(5.83)	(8.97)	-	-	-
Employee Stock Options compensation	242.19	155.46	249.65	6.43	-
Bad debts recovered	-	(0.87)	(0.65)	-	-

Interest expense	3.91	2.36	3.57	25.05	5.87
Interest income	(91.33)	(56.14)	(2.03)	(11.98)	(16.32)
Operating profit before working capital changes	1,781.02	1,533.33	1,129.51	811.97	544.72
Movements in working capital:					
(Increase) in trade receivables	(78.75)	(64.38)	(60.05)	(46.23)	(20.81)
(Increase) / decrease in inventories	(26.86)	(27.07)	(22.81)	16.19	(12.60)
(Increase) / decrease in loans and advances	(286.34)	(51.94)	(28.49)	(64.63)	15.75
(Increase) in other current assets	(4.36)	(3.47)	(3.50)	(3.52)	(2.79)
Increase in trade payables, current liabilities and provisions	74.60	54.04	87.95	106.17	38.85
Cash generated from operations	1,459.31	1,440.51	1,102.61	819.95	563.12
Direct taxes paid (net of refunds)	(518.06)	(478.56)	(309.04)	(186.16)	(157.63)
Net cash flow from operating activities	941.25	961.95	793.57	633.79	405.49

B. Cash flow from investing activities					
Purchase of fixed assets	(314.23)	(309.28)	(176.31)	(228.69)	(245.81)
Proceeds from sale of fixed assets	3.79	4.83	0.44	1.71	0.52
Purchase of investments in units of mutual funds	(845.37)	(733.85)	(1,120.38)	(237.67)	(262.51)
Sale of investments in units of mutual funds	552.07	1,186.53	664.83	190.06	311.65
Purchase of non-current investments	-	-	-	11.12	-
Payment for Purchase of investments in Subsidiary Company	(7.50)	(232.01)	-	(38.93)	(91.17)
Payment for purchase of business on slump sale basis	(24.50)	-	(4.25)	(82.00)	(86.25)
Loans and Advances refunded back by subsidiary companies (net)	3.03	(4.70)	35.05	5.70	(27.66)
Dividend received (from current investments - other than trade)	21.91	13.88	21.24	0.67	0.71
Dividend from investment in a Subsidiary Company	5.83	8.97	-	-	-
Interest received	81.23	26.33	2.80	14.69	26.72
Cash and cash equivalents acquired pursuant to Scheme of Amalgamation	-	18.19	-	-	-
Fixed Deposits placed with the banks	(1,317.25)	(848.26)	(43.49)	(66.45)	(260.02)
Fixed Deposits with banks encashed	969.63	8.44	63.32	210.10	447.68
Net cash (used in) investing activities	(871.36)	(860.93)	(556.75)	(219.69)	(186.14)

C. Cash flow from financing activities					
Proceeds from issuance of equity share capital	105.38	-	0.13	-	-
Equity shares bought back during the year	-	-	-	(65.96)	(240.00)
Proceeds of long-term borrowings	-	-	-	70.00	50.00
(Repayment) of long-term borrowings	-	(4.87)	-	(120.02)	-
(Repayment) Proceeds of short term borrowings	(0.10)	(0.07)	-	(141.72)	130.88
Interest paid	(0.16)	(5.27)	(1.50)	(25.02)	(6.85)
Dividend Paid including dividend tax	(100.00)	(90.61)	(149.91)	(96.54)	(149.42)
Net cash from / (used in) financing activities	5.12	(100.82)	(151.28)	(379.26)	(215.39)

(amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Net (decrease) / increase in cash and cash equivalents (A+B+C)	75.01	0.20	85.54	34.84	3.96
Cash and cash equivalents acquired pursuant to purchase of business	-	-	-	-	1.05
Cash and cash equivalents at the beginning of the year	154.47	154.27	68.73	33.89	28.88
Cash and cash equivalents at the end of the year	229.48	154.47	154.27	68.73	33.89
Components of cash and cash equivalents					
Cash on hand	8.19	6.20	9.85	4.61	3.21
Balance with scheduled banks:					
-on current accounts	139.91	108.67	58.31	40.26	30.68

-on cash credit accounts	81.38	39.60	66.11	23.86	-
-Deposits with original maturity of less than three months	-	-	20.00	-	-
Cash & Cash Equivalents in Cash Flow Statement:	229.48	154.47	154.27	68.73	33.89

Restated consolidated financial information on assets and liabilities

(amounts in Rs. million)

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
(1) Equity & Liabilities					
Shareholders' Funds					
(a) Share capital	812.62	803.10	50.20	50.19	50.57
(b) Reserves & surplus	2,598.20	1,511.79	1,570.34	1,109.49	877.85
(2) Minority Interest	22.97	18.44	16.19	11.05	6.52
(3) Non Current Liabilities					
(a) Long term borrowings	-	-	-	-	41.31
(b) Deferred tax liabilities (net)	-	0.21	1.69	2.04	2.71
(c) Trade payables	84.25	64.76	53.20	31.90	15.99
(d) Other long term liabilities	115.45	140.75	107.12	63.64	50.53
(e) Long term provisions	2.06	2.61	0.54	15.52	12.23
(4) Current Liabilities					
(a) Short term borrowings	-	8.67	3.73	0.13	141.72
(b) Trade payables	341.50	328.40	314.38	227.10	169.45
(c) Other current liabilities	585.87	504.37	423.62	71.07	212.19
(d) Short term provisions	190.18	132.12	149.19	188.34	115.46
Total	4,753.10	3,515.22	2,690.20	1,770.47	1,696.53
Assets					
(5) Non Current Assets					
(a) Goodwill (on consolidation)	415.75	415.75	279.29	182.47	182.47
(b) Fixed Assets					
- Tangible fixed assets	905.58	770.84	753.17	707.03	707.31
- Intangible fixed assets	179.47	211.73	233.08	193.37	233.47
- Capital work in progress	9.46	1.66	5.22	3.95	0.32
- Intangible assets under development	-	-	-	58.25	-
(c) Non current investments	-	-	-	-	-
(d) Deferred tax assets (net)	254.00	196.26	128.84	28.71	23.17
(e) Long term loans and advances	139.96	188.10	85.77	151.84	84.01
(f) Other non current assets	32.65	27.62	37.38	25.27	26.39
(6) Current Assets					
(a) Current Investments	379.17	85.87	547.73	47.71	10.10
(b) Inventories	142.78	116.59	86.26	62.28	77.54
(c) Trade receivables	309.60	251.56	197.87	143.28	96.85
(d) Cash and bank balances	1,481.85	1,056.65	214.61	134.42	224.57
(e) Short term loans and advances	456.63	158.69	117.27	28.03	24.41
(f) Other current assets	46.20	33.90	3.71	3.86	5.92
Total	4,753.10	3,515.22	2,690.20	1,770.47	1,696.53

Restated consolidated financial information on profit and losses
(amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Income					
Revenue from operations	6,595.90	5,579.47	4,516.61	3,422.07	2,372.67
Other income	29.34	22.42	28.16	8.23	7.67
Total revenue (A)	6,625.24	5,601.89	4,544.77	3,430.30	2,380.34
Expenses					
Cost of reagents, chemicals, surgicals and laboratory supplies consumed	1,391.58	1,176.60	972.99	761.66	608.68
Employee benefit expenses	1,343.89	1,015.70	937.95	537.74	377.86
Other expenses	2,300.90	2,001.64	1,629.12	1,257.55	819.78
Total expenses (B)	5,036.37	4,193.94	3,540.06	2,556.95	1,806.32
Earnings before interest, tax, depreciation and amortization (EBITDA) (A) – (B)	1,588.87	1,407.95	1,004.71	873.35	574.02
Depreciation and amortisation expense	281.90	272.29	203.98	198.34	136.03
Interest Income	(94.06)	(58.38)	(5.67)	(14.52)	(17.15)
Finance costs	4.05	1.98	4.39	25.31	7.83
Profit before tax, as restated	1,396.98	1,192.06	802.01	664.22	447.31
Tax expenses					
Current tax	504.95	459.70	347.71	218.75	146.51
Deferred tax charge / (credit)	(57.94)	(70.27)	(102.17)	(6.20)	5.34
Total tax expense	447.01	389.43	245.54	212.55	151.85
Profit for the year, as restated	949.97	802.63	556.47	451.67	295.46
Profit attributable to:					
- Owners of the Parent	942.44	795.87	551.32	447.14	291.20
- Shares of Minority interest in profits	7.53	6.76	5.15	4.53	4.26
	949.97	802.63	556.47	451.67	295.46

Restated consolidated financial information on cash flows
(amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
A. Cash flow from operating activities					
Net profit before tax	1,396.98	1,192.06	802.01	664.22	447.31
Adjustments to reconcile profit before tax to net cash flows					
Depreciation / amortisation	281.90	272.29	203.98	198.34	136.03
Loss on sale/ disposal of fixed assets (net)	0.69	5.39	2.75	1.05	0.88
Loss on sale of current investments (net)	-	5.67	-	-	-
Bad debts / advances written off	1.29	3.03	3.13	4.50	3.97
Provision for doubtful debts and advances	24.49	16.74	6.02	2.22	3.45
Unspent Liability/ Miscellaneous balances written back	(0.03)	(2.57)	(0.57)	(0.62)	(0.22)
Dividend received (from current investments - other than trade)	(21.91)	(14.10)	(22.23)	(0.67)	(0.71)
Income from long term investments in mutual funds (other than trade)	(1.61)	-	-	(0.05)	(0.70)
Employee Stock Options compensation	242.19	155.46	249.65	6.43	-
Bad debts recovered	-	(0.87)	-	-	-
Interest expense	4.05	1.98	4.39	25.31	7.83

Interest income	(94.06)	(58.38)	(5.67)	(14.52)	(17.15)
Operating profit before working capital changes	1,833.98	1,576.70	1,243.46	886.21	580.69
Movements in working capital:					
(Increase) in trade receivables	(83.65)	(67.68)	(62.81)	(51.92)	(24.96)
(Increase) / decrease in inventories	(26.18)	(29.16)	(23.52)	16.26	(13.35)
(Increase) in loans and advances	(285.59)	(50.27)	(30.74)	(65.14)	18.10
(Increase) in other current assets	(4.36)	(3.47)	(3.50)	(3.52)	(2.79)
(Increase) / decrease in trade payables, current liabilities and provisions	78.60	56.10	92.46	103.96	24.79
Cash generated from operations	1,512.80	1,482.22	1,215.35	885.85	582.48
Direct taxes paid (net of refunds)	(534.30)	(502.64)	(334.04)	(204.57)	(164.61)
Net cash flow from operating activities	978.50	979.58	881.31	681.28	417.87
B. Cash flow from investing activities					
Purchase of fixed assets	(352.93)	(327.63)	(196.20)	(211.26)	(240.74)
Proceeds from sale of fixed assets	3.79	4.83	1.21	2.12	0.78
Purchase of investments in units of mutual funds	(845.37)	(733.85)	(1,164.86)	(237.67)	(262.58)
Sale of investments in units of mutual funds	552.07	1,190.03	664.83	190.06	311.65
Sale of non-current investments	-	-	-	11.12	-
Payment for purchase of investments in Subsidiary Company	(7.50)	(232.01)	-	(38.93)	(91.17)
Payment for purchase of business on slump sale basis	-	-	(4.25)	(124.25)	(105.00)
Dividend received (from current investments - other than trade)	21.91	14.10	22.23	0.67	0.71
Interest received	83.38	28.96	6.37	15.51	27.11
Fixed Deposits placed with the banks	(1,340.23)	(849.76)	(60.75)	(88.84)	(279.43)
Fixed Deposits with banks encashed	989.54	8.44	81.07	218.92	452.78
Net cash (used in) investing activities	(895.34)	(896.89)	(650.35)	(262.55)	(185.89)
C. Cash flow from financing activities					
Proceeds from issuance of equity share capital	105.38	-	0.13	-	-
Equity shares bought back during the year	-	-	-	(65.96)	(240.00)
Proceeds of long-term borrowings	-	-	-	70.00	50.00
(Repayment) of long-term borrowings	-	(4.87)	-	(124.69)	(0.11)
(Repayment) Proceeds of short term borrowings	(8.67)	4.87	3.50	(141.72)	126.81
Interest paid	(0.50)	(5.33)	(1.67)	(24.53)	(8.81)
Dividend Paid including dividend tax	(104.17)	(96.63)	(149.91)	(96.54)	(149.42)
Net cash (used in) financing activities	(7.96)	(101.96)	(147.95)	(383.44)	(221.53)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	75.20	(19.27)	83.01	35.29	10.45
Cash and cash equivalents acquired pursuant to purchase of business	-	3.96	10.18	-	1.55
Cash and cash equivalents at the beginning of the year	157.64	172.95	79.76	44.47	32.47
Cash and cash equivalents at the end of the year	232.84	157.64	172.95	79.76	44.47

(amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Components of cash and cash equivalents					
Cash on hand	9.80	7.46	11.70	5.74	4.60
Balance with scheduled banks:					
-on current accounts	141.66	110.58	75.14	46.16	39.66
-on overdraft accounts	-	-	-	-	0.21
-on cash credit accounts	81.38	39.60	66.11	23.86	-
-Deposits with original maturity of less than three months	-	-	20.00	4.00	-
Cash & Cash Equivalents in Cash Flow Statement:	232.84	157.64	172.95	79.76	44.47

THE OFFER

The following table summarizes the Offer details:

Offer⁽¹⁾	Up to 11,600,000 Equity Shares aggregating up to ₹ [●] million
<i>Comprising Offer for Sale by:</i>	
<i>A. Promoter Selling Shareholders:</i>	
(Hony.) Brig. Dr. Arvind Lal ⁽²⁾	Up to 1,261,996 Equity Shares aggregating up to ₹ [●] million
Dr. Vandana Lal ⁽³⁾	Up to 2,056,747 Equity Shares aggregating up to ₹ [●] million
Eskay House (HUF) ⁽⁴⁾	Up to 238,226 Equity Shares aggregating up to ₹ [●] million
Mr. Anjaneya Lal ⁽⁵⁾	Up to 550,386 Equity Shares aggregating up to ₹ [●] million
<i>B. Investor Selling Shareholders:</i>	
Wagner ⁽⁶⁾	Up to 5,860,000 Equity Shares aggregating up to ₹ [●] million
WCF ⁽⁷⁾	Up to 1,471,575 Equity Shares aggregating up to ₹ [●] million
SIH ⁽⁸⁾	Up to 161,070 Equity Shares aggregating up to ₹ [●] million
<i>The Offer consists of:</i>	
A. QIB Portion⁽⁹⁾	5,800,000 Equity Shares
<i>Of which:</i>	
Anchor Investor Portion*	Up to 3,480,000 Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	2,320,000 Equity Shares
<i>Of which:</i>	
Mutual Fund Portion	116,000 Equity Shares
Balance for all QIBs including Mutual Funds	2,204,001 Equity Shares
B. Non-Institutional Portion⁽⁹⁾	Not less than 1,740,000 Equity Shares
C. Retail Portion⁽⁹⁾	Not less than 4,060,000 Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer, as on the date of this Draft Red Herring Prospectus	82,269,877 Equity Shares
Equity Shares outstanding after the Offer	82,269,877 Equity Shares
Use of proceeds of this Offer	Since the Offer is being made through the Offer for Sale, the proceeds from the Offer will be remitted to the respective Promoter Selling Shareholders and respective Investor Selling Shareholders proportionately. Our Company will not receive any proceeds from the Offer. For further details, see the section titled “Objects of the Offer” on page 92. Our Company will not receive any proceeds from the Offer for Sale.

* Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. One-third of the Anchor Investor Portion will be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further details, see the section titled “Offer Procedure” on page 405.

⁽¹⁾ The Offer has been authorized by a resolution of our Board dated August 21, 2015, and by a special resolution of our shareholders at the EGM held on August 24, 2015.

⁽²⁾ (Hony.) Brig. Dr. Arvind Lal specifically confirms that he has consented to participate in the Offer for Sale by offering up to 1,261,996 Equity Shares by his letter dated September 11, 2015.

⁽³⁾ Dr. Vandana Lal specifically confirms that she has consented to participate in the Offer for Sale by offering up to 2,056,747 Equity Shares by her letter dated September 11, 2015.

⁽⁴⁾ Eskay House (HUF) specifically confirms that it has consented to participate in the Offer for Sale by offering up to 238,226 Equity Shares by its letter dated September 11, 2015.

- (5) Mr. Anjaneya Lal specifically confirms that he has consented to participate in the Offer for Sale by offering up to 550,386 Equity Shares by his letter dated September 11, 2015.

Each of the Promoter Selling Shareholders severally and not jointly, specifically confirm that their respective proportion of the Promoter Offered Shares, have been held by the respective Promoter Selling Shareholder for a period of at least one year, prior to the date of filing of this Draft Red Herring Prospectus, including any Equity Shares received pursuant to conversion of any fully paid-up compulsorily convertible securities of the Company held by the respective Promoter Selling Shareholder in accordance with Regulation 26(6) of the SEBI Regulations and, to the extent that such Equity Shares have resulted from a bonus issue, the bonus issue has been of Equity Shares held for a period of at least one year prior to the filing of the Draft Red Herring Prospectus and issued by capitalizing the securities premium of our Company and accordingly, are eligible for being offered for sale in the Offer.

- (6) Wagner specifically confirms that its board of directors has authorised the sale and transfer of up to 5,860,000 Equity Shares by way of the Offer for Sale pursuant to the Offer by its resolution dated August 31, 2015.
- (7) WCF specifically confirms that its board of directors has authorised the sale and transfer of the up to 1,471,575 Equity Shares by way of the Offer for Sale pursuant to the Offer by its resolution dated August 21, 2015.
- (8) SIH specifically confirms that its board of directors has authorised the sale and transfer of up to 161,070 Equity Shares by way of the Offer for Sale pursuant to the Offer by its resolution dated August 21, 2015.

Each of the Investor Selling Shareholders severally and not jointly, specifically confirm that their respective proportion of the Investor Offered Shares, have been held by the respective Investor Selling Shareholder for a period of at least one year, prior to the date of filing of this Draft Red Herring Prospectus, including any Equity Shares received pursuant to conversion of any fully paid-up compulsorily convertible securities of the Company held by the respective Investor Selling Shareholder in accordance with Regulation 26(6) of the SEBI Regulations and, to the extent that such Equity Shares have resulted from a bonus issue, the bonus issue has been of Equity Shares held for a period of at least one year prior to the filing of the Draft Red Herring Prospectus and issued by capitalizing the securities premium of our Company and accordingly, are eligible for being offered for sale in the Offer.

- (9) To be finalised at the time of filing the Red Herring Prospectus. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. The Offer shall constitute at least 10% of the fully diluted post-Offer paid up equity share capital of our Company.

Note: Retail Individual Bidders bidding at a price within the Price Band can make payment at the Bid Amount, at the time of making a Bid. Retail Individual Bidders bidding at the Cut-Off Price have to ensure payment at the Cap Price at the time of making a Bid. Retail Individual Bidders must ensure that the Bid Amount does not exceed ₹ 200,000, and must mention the Bid Amount while filling the “SCSB/Payment Details” block in the Bid cum Application Form.

GENERAL INFORMATION

Our Company was incorporated as ‘Dr. Lal PathLabs Private Limited’, a private limited company under the Companies Act, 1956, and a certificate of incorporation was issued by the RoC on February 14, 1995 at Delhi. Our Company was converted into a public company pursuant to a special resolution of the shareholders of our Company at an EGM held on August 7, 2015. Consequently, the name of our Company was changed to ‘Dr. Lal PathLabs Limited’ and a fresh certificate of incorporation was issued by the RoC on August 19, 2015.

Registration Number: 55-65388

Corporate Identity Number: U74899DL1995PLC065388

Registered Office

Eskay House
54, Hanuman Road
New Delhi 110 001, India
Telephone: +91 11 3040 3210
Facsimile: +91 11 3040 3204
Website: www.lalpathlabs.com

Corporate Office

12th Floor, Tower B, SAS Tower
Sector 38, Medicity
Gurgaon 122 001
Haryana, India
Telephone: +91 124 3016 500
Facsimile: +91 124 4234 468

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, NCT of Delhi and Haryana, located at the following address:

Registrar of Companies, NCT of Delhi and Haryana

4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019, India
Telephone: +91 11 2623 5707
Facsimile: +91 11 2623 5702

Board of Directors

The following table sets out the details regarding our Board as on the date of filing of this Draft Red Herring Prospectus:

Name, Designation and Occupation	Age (years)	DIN	Address
(Hony.) Brig. Dr. Arvind Lal Designation: Chairman and Managing Director Occupation: Service	66	00576638	J-5, Green Park, New Delhi 110 016, Delhi, India
Dr. Vandana Lal	58	00472955	J-5, Green Park, New Delhi 110 016, Delhi, India

Name, Designation and Occupation	Age (years)	DIN	Address
Designation: Whole-time Director Occupation: Service			
Dr. Om Prakash Manchanda Designation: Whole-time Director and Chief Executive Officer Occupation: Service	50	02099404	Villa No. 6, Tatvam Villas, Sector 48, Sohna Road, Gurgaon, 122 018, Haryana, India
Mr. Rahul Sharma Designation: Non-executive Director Occupation: Service	54	00956625	House - 5, Buena Vista - 7, Pik Sha Road, Sai Kung New Territories, Keatk 053, Hong Kong
Mr. Naveen Wadhera Designation: Nominee Director Occupation: Service	38	02503164	The Garden Flat, 6 Roland Gardens, London SW73PH, United Kingdom
Mr. Sandeep Singhal Designation: Nominee Director Occupation: Service	45	00040491	C-76, Diamond District, Airport Road, Bangalore, 560017, Karnataka, India
Mr. Arun Duggal Designation: Additional (Independent) Director Occupation: Retired professional	68	00024262	A-4, West End, New Delhi 110 021, Delhi, India
Mr. Anoop Mahendra Singh Designation: Additional (Independent) Director Occupation: Professional	49	01963056	13 Wensley Court, Templestowe, Victoria 3106, Australia
Mr. Sunil Varma Designation: Additional (Independent) Director Occupation: Retired professional	71	01020611	104, Aradhana Apartments, R.K. Puram, Sector-13, New Delhi 110 066, Delhi, India
Mr. Harneet Singh Chandhoke Designation: Additional (Independent) Director Occupation: Advocate	50	02758084	5-A, Factory Road, opposite B4/187 – C Krishna Nagar, Safdarjung Enclave, New Delhi 110 029, Delhi, India
Mr. Saurabh Srivastava Designation: Additional (Independent)	69	00380453	C-482, Defence Colony, New Delhi 110 024, Delhi, India

Name, Designation and Occupation	Age (years)	DIN	Address
Director Occupation: Business			
Dr. Murugan Rajaram Pandian Designation: Additional (Independent) Director Occupation: Professional	73	07271000	27432 Almendra Mission Viejo, California 92691, United States of America

For brief profiles and further details of our Directors, see the section titled “*Our Management*” on page 170.

Chief Financial Officer

Mr. Dilip Bidani is the Chief Financial Officer of our Company. His contact details are as follows:

Mr. Dilip Bidani

12th Floor, Tower B, SAS Tower
Sector 38, Medicity
Gurgaon 122 001
Haryana, India

Telephone: +91 124 3016 500

Facsimile: +91 124 4234 468

E-mail: cfo@lalpathlabs.com

Company Secretary and Compliance Officer

Mr. Rajat Kalra is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Mr. Rajat Kalra

12th Floor, Tower B, SAS Tower
Sector 38, Medicity
Gurgaon 122 001
Haryana, India

Telephone: +91 124 3016 557

Facsimile: +91 124 4234 468

E-mail: cs@lalpathlabs.com

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or Registrar 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, non-receipt of refund orders or non-receipt of funds by electronic mode etc.

For all Offer related queries and for redressal of complaints, investors may also write to the Book Running Lead Managers.

Selling Shareholders

The Promoter Selling Shareholders in the Offer are:

1. (Hony.) Brig. Dr. Arvind Lal, one of our Promoters;
2. Dr. Vandana Lal, one of our Promoters;
3. Eskay House (HUF), one of our Promoters;

4. Mr. Anjaneya Lal, member of our Promoter Group;

The Investor Selling Shareholders in the Offer are:

1. Wagner Limited, which has specifically confirmed that it is a company incorporated under the laws of Mauritius, with its registered office situated at IFS Court, Bank Street, TwentyEight, Cybercity, Ebene 72201, Mauritius.
2. WestBridge Crossover Fund, LLC, which has specifically confirmed that it is a company incorporated under the laws of Mauritius, with its registered office situated at IFS Court, Bank Street, TwentyEight, Cybercity, Ebene 72201, Mauritius; and
3. Sanjeevini Investment Holdings, which has specifically confirmed that it is a company incorporated under the laws of Mauritius, with its registered office situated at IFS Court, Bank Street, TwentyEight, Cybercity, Ebene 72201, Mauritius.

For further details of the Selling Shareholders, see the sections titled “*Capital Structure*”, “*History and Certain Corporate Matters*”, “*Our Management*” and “*Our Promoters and Promoter Group*” on pages 71, 157, 170 and 190, respectively.

Book Running Lead Managers

Kotak Mahindra Capital Company Limited 27 BKC, C-27, “G” Block Bandra Kurla Complex, Bandra (East) Mumbai 400 051, Maharashtra, India Telephone: +91 22 4336 0000 Facsimile: +91 22 6713 2447 E-mail: drlal.ipo@kotak.com Investor Grievance E-mail: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Mr. Ganesh Rane SEBI Registration No.: INM000008704	Citigroup Global Markets India Private Limited 12 th Floor, First International Financial Centre Bandra Kurla Complex, Mumbai 400 051, India Telephone: +91 22 6175 9999 Facsimile: +91 22 6175 9897 E-mail: drlal.ipo@citi.com Investor Grievance E-mail: investors.cgmib@citi.com Website: http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm Contact Person: Mr. Rahul Nadkarni SEBI Registration No.: INM000010718
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Statement of inter-se allocation of responsibilities among the Book Running Lead Managers

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

S. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring, Positioning Strategy and due diligence of the Company including its operations/ management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	Kotak, Citi	Kotak
2.	Drafting and approval of all statutory advertisement	Kotak, Citi	Kotak
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc.	Kotak, Citi	Citi
4.	Appointment of Intermediaries - Registrar to the Issue, Advertising Agency, Printers and Banker(s) to the Issue and Monitoring Agency (including co-ordinating all agreements to be entered with such parties.)	Kotak, Citi	Kotak
5.	Non-Institutional and retail marketing of the Issue, which will cover, inter alia, <ul style="list-style-type: none"> ● Finalising media, marketing and public relations strategy; ● Finalising centres for holding conferences for brokers, etc.; ● Follow-up on distribution of publicity and Issue material including form, the Prospectus and deciding on the quantum of the Issue material; and 	Kotak, Citi	Kotak

S. No	Activity	Responsibility	Co-ordinator
6.	<ul style="list-style-type: none"> Finalising collection centres Domestic Institutional marketing of the Issue, which will cover, inter alia: <ul style="list-style-type: none"> Institutional marketing strategy Finalizing the list and division of domestic investors for one-to-one meetings Finalizing domestic road show and investor meeting schedule 	Kotak, Citi	Kotak
7.	<ul style="list-style-type: none"> Institutional marketing strategy International Institutional marketing of the Issue, which will cover, inter alia: <ul style="list-style-type: none"> Finalizing the list and division of international investors for one-to-one meetings Finalizing international road show and investor meeting schedule Marketing and road-show presentation and preparation of frequently asked questions for the road show team 	Kotak, Citi	Citi
8.	Coordination with Stock-Exchanges for book building software, bidding terminals and mock trading	Kotak, Citi	Citi
9.	Managing the book and finalization of pricing in consultation with the Company	Kotak, Citi	Citi
10.	Post-bidding activities, including management of Escrow Accounts, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc. The post-Offer activities will involve essential follow-up steps, including finalisation of trading, dealing of instruments and demat of delivery of shares with the various agencies connected with the work such as the Registrars to the Offer, the Bankers to the Offer, the bank handling refund business and the SCSBs. The BRLMs shall be responsible for ensuring that these agencies fulfill their functions and discharge this responsibility through suitable agreements with the Company Payment of the applicable Securities Transaction Tax (“STT”) on sale of unlisted Equity Shares by the Selling Shareholders under the Offer for Sale included in the Offer to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004	Kotak, Citi	Citi

Syndicate Members

[•]

Legal Counsel to the Company as to Indian Law

Luthra & Luthra Law Offices

103, Ashoka Estate

24, Barakhamba Road

New Delhi 110 001, India

Telephone: +91 11 4121 5100

Facsimile: +91 11 2372 3909

Legal Counsel to the Book Running Lead Managers as to Indian Law

Shardul Amarchand Mangaldas & Co

Amarchand Towers

216 Okhla Industrial Estate Phase – III

New Delhi 110 020, India

Telephone: +91 11 4159 0700

Facsimile: +91 11 2692 4900

International Legal Counsel to the Book Running Lead Managers as to United States Law

Davis Polk & Wardwell

18th Floor, The Hong Kong Club Building

3A Chater Road
Hong Kong
Telephone: +852 2533 3300
Facsimile: +852 2533 3388

Legal Counsel to the WCF and SIH as to Indian Law

AZB & Partners

AZB House
Plot No. A8, Sector 4
Noida, U.P. – 2013 01
Telephone: + 91 120 417 9999
Facsimile: + 91 120 417 9900

Registrar to the Offer

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound
L.B.S. Marg
Bhandup (West)
Mumbai 400 078
Telephone: +91 22 6171 5400
Facsimile: +91 22 2596 0329
Email: dr1al.ipo@linkintime.co.in
Investor Grievance E-mail: dr1al.ipo@linkintime.co.in
Website: www.linkintime.co.in
Mobile App: blink
Contact Person: Ms. Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

All grievances relating to the non-ASBA process may be addressed to the Registrar to the Offer, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, amount paid on application, date of Bid cum Application Form and the name and address of the Syndicate Member or the Registered Broker where the Bid cum Application Form was submitted and cheque or draft number and issuing bank thereof.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSBs or the Syndicate Member at the Specified Locations or the Registered Broker with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, date of Bid cum Application Form and the name and address of the Designated Branch or the collection centre of the SCSB or the Syndicate Member at the Specified Locations or the Registered Broker at the Broker Centres where the Bid cum Application Form was submitted.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. With respect to the Bid cum Application Forms submitted with Registered Brokers, investors shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

Escrow Collection Banks

[●]

Refund Bankers

[●]

Self Certified Syndicate Banks

The list of SCSBs is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which an ASBA Bidder, not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, may submit the Bid cum Application Forms is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> on the SEBI website, and at such other websites as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit Bid cum Application Forms in the Offer to Registered Brokers at the Registered Broker Centres. The list of 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 http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively. For further details, see the section titled “Offer Procedure” on page 405.

Auditors to our Company

M/s S.R. Batliboi & Co. LLP, Chartered Accountants

2nd Floor, Golf View Corporate Tower B

Sector 42, Sector Road

Gurgaon -122002,

Haryana, India

Telephone: + 91 124 464 4000

Facsimile: +91 124 464 4050

E-mail: srbc@in.ey.com

ICAI Firm Registration Number: 301003E

Bankers to our Company

HDFC Bank Limited 2nd Floor, Indian Express Building Bahadur Shah Zafar Marg ITO, New Delhi Telephone: +91 93508 76841 Facsimile: +91 11 3026 1884 E-mail: kanika.jaswal@hdfcbank.com Website: www.hdfcbank.com Contact Person: Ms. Kanika Jaswal	ICICI Bank Limited SCO 18 & 19, HUDA Shopping Centre Sector 14 Market Complex Gurgaon 122 001, Haryana Telephone: +91 124 4855 698 Facsimile: +91 124 4145 935 E-mail: sanghamitra.barua@icicibank.com Website: www.icicibank.com Contact Person: Mr. Sanghamitra Barua
Kotak Mahindra Bank Limited DLF Cyber City, Phase-3 Building No. 5, Tower B, 14th Floor Gurgaon, Haryana Telephone: +91 124 6680 462 Facsimile: +91 124 2218 039 E-mail: sujeet.sinha@kotak.com Website: www.kotak.com Contact Person: Mr. Sujeet Sinha	State Bank of India Old Delhi Road M-17 Old DLF Colony Gurgaon, Haryana Telephone: +91 124 2304 815 Facsimile: +91 124 2335 264 E-mail: sbi.30410@sbi.co.in Website: www.sbi.co.in Contact Person: Mr. Dinesh Bhardwaj

Grading of the Offer

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the 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.

Expert

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

Our Company has received written consent from the Auditors namely M/s S.R. Batliboi & Co. LLP, Chartered Accountants, to include their name as required 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 respect of the reports of the Auditors on our restated consolidated financial statements and restated unconsolidated financial statements, each dated August 28, 2015 and the statement of tax benefits dated August 28, 2015 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

In addition, Nangia & Co., Chartered Accountants, have consented to be named as an expert in this Draft Red Herring Prospectus, and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Project Appraisal

As the Offer is an offer for sale of Equity Shares, the objects of the Offer have not been appraised.

Credit Rating

As this is an offer of equity shares, credit rating is not required.

Trustees

As this is an offer of equity shares, the appointment of trustees is not required.

Book Building Process

"Book building" refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the ASBA Forms within the Price Band. The Price Band and minimum Bid lot will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the BRLMs, and advertised in [●] edition of [●] and [●] edition of [●], being an english and a Hindi national daily newspaper, each with wide circulation, respectively, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website. The Offer Price shall be determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the BRLMs, after the Bid/Offer Closing Date. The principal parties involved in the Book Building Process are:

- (1) our Company;
- (2) the Selling Shareholders;
- (3) the BRLMs;
- (4) Syndicate Members;
- (5) Registrar to the Offer;
- (6) Escrow Collection Banks; and
- (7) SCSBs and Registered Brokers.

Pursuant to Rule 19(2)(b) of the Securities Contracts Regulation Rules, 1957, as amended (“SCRR”) read with Regulation 41 of the SEBI Regulations, the Offer is being made for at least 10% of the post-Offer paid-up Equity Share capital of our Company. This Offer is being made through the Book Building Process, wherein 50% of the Offer shall be available for allocation on a proportionate basis to QIBs. Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. For further details, see the section titled “Offer Procedure” on page 405.

Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (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 from them at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. The Offer shall constitute at least 10% of the fully diluted post-Offer paid up equity share capital of our Company.

All investors, other than Anchor Investors, can participate through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. Retail Individual Bidders have the option to participate either through the ASBA process or non-ASBA process. However, QIBs (excluding Anchor Investors) and Non-Institutional Bidders are mandatorily required to submit their Bids by way of ASBA only.

In accordance with the SEBI Regulations, QIBs Bidding in the QIB Category and Non-Institutional Bidders bidding in the Non-Institutional Category are not allowed to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until finalisation of the Basis of Allotment. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis. For further details, see the sections titled “Offer Structure” and “Offer Procedure” on pages 401 and 405 respectively.

Our Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Offer. Each of the respective Promoter Selling Shareholders and the respective Investor Selling Shareholders have severally and not jointly specifically confirmed that they will comply with the SEBI Regulations and any other ancillary directions issued by SEBI, as applicable to such Promoter Selling Shareholders and Investor Selling Shareholders, in relation to their respective proportion of the Equity Shares offered by such Promoter Selling Shareholders and such Investor Selling Shareholders in the Offer for Sale. In this regard, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders have appointed the BRLMs to manage this Offer and procure subscriptions to this Offer.

The Book Building Process is subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

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

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid. For further details, see section titled “Offer Procedure – Who can Bid?” on page 406.
- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective form;
- Except for bids on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, for Bids of all values ensure that you have mentioned your PAN allotted under the IT Act in the Bid cum Application Form (see the section titled “Offer Procedure” on page 405). The exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants’ verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims;
- Ensure the correctness of your PAN, DP ID and Client ID given in the Bid cum Application Form. Based on these parameters, the Registrar will obtain the Demographic Details of the Bidders from the Depositories. Ensure the correctness of your Demographic Details given in the Bid cum Application Form, with the details recorded with your Depository Participant;
- Bids by ASBA Bidders will have to be submitted only at the Designated Branches or the Syndicate at the Specified Locations or the Registered Brokers at the Broker Centres in physical form. It may also be submitted in electronic form to the Designated Branches only. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their ASBA Form is not rejected;
- Bids by non-ASBA Bidders will have to be submitted with the Syndicate (or their authorized agents) at the bidding centres or the Registered Brokers at the Broker Centres; and
- Bids by QIBs (except Anchor Investors) and Non-Institutional Investors shall be submitted only through the ASBA process.

Illustration of Book Building Process and the Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to this Offer, and does not illustrate bidding by Anchor Investors)

Bidders can Bid at any price within the Price Band. For instance, assuming a price band of ₹ 20 to ₹ 24 per share, an 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 the Bidding Centres during the bid/offer period. The illustrative book as shown below indicates the demand for the shares of the issuer company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (₹)	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 shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with Book Running Lead Managers, will finalise the offer price at or below such cut-off, i.e., at or below ₹ 22. All bids at or above the offer price and cut-off price are valid bids and are considered for allocation in the respective categories.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into the 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 Book Running Lead Managers shall be responsible for bringing in the amount devolved in the event the respective Syndicate Members do not fulfil their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded, subject to Regulation 13 of the SEBI Regulations. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC.)

Details of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

The above-mentioned amount is indicative and will be finalised after determination of the Offer Price and finalization of the 'Basis of Allotment'.

In the opinion of our Board (based on representations given by the Underwriters), the resources of the 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 are registered as brokers with the Stock Exchanges.

Allocation among the Underwriters may not necessarily be in the proportion of their underwriting commitments set forth in the table above. Notwithstanding the above table, each of the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them in accordance with the Underwriting Agreement.

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 subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

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

(In ₹)

		Aggregate nominal value	Aggregate value at Offer Price
A)	AUTHORISED SHARE CAPITAL*		
	97,000,000 shares of ₹ 10 each	970,000,000	
	<i>Consisting of:</i>		
	69,500,000 Equity Shares	695,000,000	
	27,500,000 Preference Shares	275,000,000	
B)	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER		
	63,130,202 Equity Shares	631,302,020	
	19,139,675 Preference Shares	191,396,750	
C)	PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS		
	Offer of up to 11,600,000 Equity Shares	116,000,000	●
	<i>Comprising Offer for Sale by:</i>		
	<i>A. Promoter Selling Shareholders:</i>		
	By (Hony.) Brig. Dr. Arvind Lal of up to 1,261,996 Equity Shares ^(a)	12,619,960	●
	By Dr. Vandana Lal of up to 2,056,747 Equity Shares ^(b)	20,567,470	●
	By Eskay House (HUF) of up to 238,226 Equity Shares ^(c)	2,382,260	●
	By Mr. Anjaneya Lal of up to 550,386 Equity Shares ^(d)	5,503,860	●
	<i>B. Investor Selling Shareholders:</i>		
	By Wagner of up to 5,860,000 Equity Shares ^(e)	58,600,000	●
	By WCF of up to 1,471,575 Equity Shares ^(f)	14,715,750	●
	By SIH of up to 161,070 Equity Shares ^(g)	1,610,700	●
	<i>The Offer consists of:[^]</i>		
	QIB Portion of 5,800,000 Equity Shares	5,800,000	●
	<i>Of which:</i>		
	Anchor Investor Portion of up to 3,480,000 Equity Shares	34,800,000	●
	Net QIB Portion (assuming Anchor Investor Portion is fully subscribed) of up to 2,320,000 Equity Shares	23,200,000	●
	<i>Of which:</i>		
	Mutual Fund Portion of 116,000 Equity Shares only	1,160,000	●
	Balance for all QIBs including Mutual Funds 2,204,000 Equity Shares	22,040,000	●
	Non-Institutional Portion of not less than 1,740,000 Equity Shares	17,400,000	●
	Retail Portion of not less than 4,060,000 Equity Shares	40,600,000	●
D)	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER		
	82,269,877 Equity Shares	822,698,770	●
E)	SECURITIES PREMIUM ACCOUNT		
	Before the Offer		₹ 295.15 million [#]
	After the Offer		●

[#] As on March 31, 2015.

^{*} We have recently amalgamated five of our former wholly owned subsidiaries, pursuant to which our authorised share capital may be subject to increase. For further details, see the section titled “Risk Factors – The recent amalgamation of our former subsidiaries with our Company is yet to be taken on record by the RoC” and “History and Certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets” on pages 35 and 160, respectively.

[^] To be finalised at the time of filing the Red Herring Prospectus.

- (a) (Hony.) Brig. Dr. Arvind Lal specifically confirms that he has consented to participate in the Offer for Sale by offering up to 1,261,996 Equity Shares by his letter dated September 11, 2015.
- (b) Dr. Vandana Lal specifically confirms that she has consented to participate in the Offer for Sale by offering up to 2,056,747 Equity Shares by her letter dated September 11, 2015.
- (c) Eskay House (HUF) specifically confirms that it has consented to participate in the Offer for Sale by offering up to 238,226 Equity Shares by its letter dated September 11, 2015.
- (d) Mr. Anjaneya Lal specifically confirms that he has consented to participate in the Offer for Sale by offering up to 550,386 Equity Shares by his letter dated September 11, 2015.
- (e) Wagner specifically confirms that it has consented to participate in the Offer for Sale by offering up to 5,860,000 Equity Shares pursuant to a resolution of its board of directors dated August 31, 2015.
- (f) WCF specifically confirms that it has consented to participate in the Offer for Sale by offering up to 1,471,575 Equity Shares pursuant to a resolution of its board of directors dated August 21, 2015.
- (g) SIH specifically confirms that it has consented to participate in the Offer for Sale by offering up to 161,070 Equity Shares pursuant to a resolution of its board of directors dated August 21, 2015.

Each of the Promoter Selling Shareholders severally and not jointly, specifically confirm that their respective proportion of the Promoter Offered Shares, have been held by the respective Promoter Selling Shareholder for a period of at least one year, prior to the date of filing of this Draft Red Herring Prospectus, including any Equity Shares received pursuant to conversion of any fully paid-up compulsorily convertible securities of the Company held by the respective Promoter Selling Shareholder in accordance with Regulation 26(6) of the SEBI Regulations and, to the extent that such Equity Shares have resulted from a bonus issue, the bonus issue has been of Equity Shares held for a period of at least one year prior to the filing of the Draft Red Herring Prospectus and issued by capitalizing the securities premium of our Company and accordingly, are eligible for being offered for sale in the Offer.

Each of the Investor Selling Shareholders severally and not jointly, specifically confirm that their respective proportion of the Investor Offered Shares, have been held by the respective Investor Selling Shareholder for a period of at least one year, prior to the date of filing of this Draft Red Herring Prospectus, including any Equity Shares received pursuant to conversion of any fully paid-up compulsorily convertible securities of the Company held by the respective Investor Selling Shareholder in accordance with Regulation 26(6) of the SEBI Regulations and, to the extent that such Equity Shares have resulted from a bonus issue, the bonus issue has been of Equity Shares held for a period of at least one year prior to the filing of the Draft Red Herring Prospectus and issued by capitalizing the securities premium of our Company and accordingly, are eligible for being offered for sale in the Offer.

Changes in our Authorised Share Capital

1. The authorised share capital of our Company was increased to ₹ 10,000,000, divided into 100,000 equity shares of ₹ 100 each pursuant to a resolution of our shareholders dated January 27, 1997.
2. The authorised share capital of our Company was increased to ₹ 50,000,000, divided into 500,000 equity shares of ₹ 100 each pursuant to a resolution of our shareholders dated June 26, 2003.
3. The authorised share capital of our Company was increased to ₹ 75,000,000, divided into 500,000 equity shares of ₹ 100 each and 250,000 preference shares of ₹ 100 each pursuant to a resolution of our shareholders dated September 20, 2007.
4. The authorised share capital of our Company was increased to ₹ 825,000,000, divided into 5,500,000 equity shares of ₹ 100 each and 2,750,000 preference shares of ₹ 100 each pursuant to a resolution of our shareholders dated September 28, 2013.

5. Pursuant to a resolution of our shareholders dated March 27, 2015, equity shares of ₹ 100 each and preference shares ₹ 100 each of our Company were divided into equity shares of ₹ 10 each and preference shares of ₹ 10 each, respectively, and our resultant authorised share capital being ₹ 825 million divided into 55,000,000 equity shares of ₹ 10 each and 27,500,000 preference shares of ₹ 10 each.
6. The authorised share capital of our Company was increased to ₹ 970,000,000 divided into 69,500,000 equity shares of ₹ 10 each and 27,500,000 preference shares of ₹ 10 each pursuant to a resolution of our shareholders dated August 7, 2015[#].

[#] We have recently amalgamated five of our former wholly owned subsidiaries, pursuant to which our authorised share capital may be subject to increase. For further details, see the section titled “Risk Factors – The recent amalgamation of our former subsidiaries with our Company is yet to be taken on record by the RoC” and “History and Certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets” on pages 35 and 160, respectively.

Notes to Capital Structure

1. Share Capital History

(a) History of equity share capital of our Company

The following table sets forth the history of the equity share capital of our Company:

Date of allotment* / buy-back	Number of equity shares	Face value (₹)	Issue price/ buy-back price (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
February 14, 1995	30	100	100.00	Cash	Subscription to the MoA ⁽¹⁾	30	3,000
April 30, 1997	20,000	100	100.00	Cash	Preferential allotment ⁽²⁾	20,030	2,003,000
April 30, 1998	29,000	100	100.00	Cash	Preferential allotment ⁽³⁾	49,030	4,903,000
September 11, 2003	147,090	100	-	Bonus	Bonus issue of three equity shares of ₹ 100 each for every one equity share of ₹ 100 each held ⁽⁴⁾	196,120	19,612,000
April 20, 2004	160,000	100	100.00	Cash	Preferential allotment ⁽⁵⁾	356,120	35,612,000
May 25, 2005	10	100	2,233.16	Cash	Preferential allotment ⁽⁶⁾	356,130	35,613,000
June 20, 2005	(22,390)	100	(2,233.16)	-	Buy-back ⁽⁷⁾	333,740	33,374,000
February 29, 2008	(4,833)	100	(4,138.37)	-	Buy-back ⁽⁸⁾	328,907	32,890,700
April 6, 2009	23,806	100	2,443.46	Cash	Allotment pursuant to ESOP 2005 ⁽⁹⁾	352,713	35,271,300
September 6, 2010	(13,543)	100	(17,721.00)	-	Buy-back ⁽¹⁰⁾	339,170	33,917,000
July 27, 2011	(3,722)	100	(17,721.00)	-	Buy-back ⁽¹¹⁾	335,448	33,544,800
May 23, 2012	42	100	3,104.00	Cash	Allotment pursuant to ESOP 2005 ⁽¹²⁾	335,490	33,549,000
<i>Equity shares issued in the last two years</i>							
September 28, 2013	5,032,350	100	-	Bonus	Bonus issue of 15 equity shares of ₹ 100 each for every one equity	5,367,840	536,784,000

Date of allotment*/ buy-back	Number of equity shares	Face value (₹)	Issue price/ buy-back price (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
					share of ₹ 100 each held ⁽¹³⁾		
October 8, 2014	77,408	100	1,108.00	Cash	Allotment pursuant to ESOP 2010 ⁽¹⁴⁾	5,445,248	544,524,800
January 16, 2015	768	100	1,108.00	Cash	Allotment pursuant to ESOP 2010 ⁽¹⁵⁾	5,446,016	544,601,600
Pursuant to a resolution of our shareholders dated March 27, 2015, each equity share of face value ₹ 100 each was split into ten equity shares of ₹ 10 each, and accordingly, 5,446,016 equity shares of ₹ 100 each were split into 54,460,160 equity shares of ₹ 10 each.							
March 30, 2015	169,360	10	110.80	Cash	Allotment pursuant to ESOP 2010 ⁽¹⁶⁾	54,629,520	546,295,200
April 23, 2015	124,480	10	110.80	Cash	Allotment pursuant to ESOP 2010 ⁽¹⁷⁾	54,754,000	547,540,000
June 3, 2015	64,000	10	110.80	Cash	Allotment pursuant to ESOP 2010 ⁽¹⁸⁾	54,818,000	548,180,000
June 10, 2015	181,920	10	110.80	Cash	Allotment pursuant to ESOP 2010 ⁽¹⁹⁾	54,999,920	549,999,200
August 21, 2015	637,637	10	110.80	Cash	Allotment pursuant to ESOP 2010 ⁽²⁰⁾	55,637,557	556,375,570
September 7, 2015	7,492,645	10	-	Other than cash	Conversion of 7,492,645 CCPS ⁽²¹⁾	63,130,202	631,302,020

* The equity shares were fully paid-up on the date of their allotment.

- ⁽¹⁾ Initial subscription to the MoA by (Hony.) Brig. Dr. Arvind Lal (10 equity shares of ₹ 100 each), Dr. Vandana Lal (10 equity shares of ₹ 100 each) and Ms. Vimla Lal (10 equity shares of ₹ 100 each).
- ⁽²⁾ (Hony.) Brig. Dr. Arvind Lal was allotted 10,000 equity shares of ₹ 100 each and Ms. Vimla Lal was allotted 10,000 equity shares of ₹ 100 each.
- ⁽³⁾ (Hony.) Brig. Dr. Arvind Lal was allotted 10,000 equity shares of ₹ 100 each, Ms. Vimla Lal was allotted 10,000 equity shares of ₹ 100 each and Dr. Vandana Lal was allotted 9,000 equity shares of ₹ 100 each.
- ⁽⁴⁾ Bonus issue pursuant to the capitalization of ₹ 14,709,000 out of general reserves. (Hony.) Brig. Dr. Arvind Lal was allotted 90,060 equity shares of ₹ 100 each and Dr. Vandana Lal was allotted 57,030 equity shares of ₹ 100 each.
- ⁽⁵⁾ (Hony.) Brig. Dr. Arvind Lal was allotted 70,000 equity shares of ₹ 100 each, Dr. Vandana Lal was allotted 50,000 equity shares of ₹ 100 each, Dr. Archana Lal was allotted 14,000 equity shares of ₹ 100 each, Mr. Anjaneya Lal was allotted 14,000 equity shares of ₹ 100 each and Eskay House (HUF) was allotted 12,000 equity shares of ₹ 100 each.
- ⁽⁶⁾ WestBridge Ventures I Investment Holdings was allotted 10 equity shares of ₹ 100 each.
- ⁽⁷⁾ In accordance with a special resolution of our shareholders dated May 25, 2005, 11,195 equity shares of ₹ 100 each were bought back from (Hony.) Brig. Dr. Arvind Lal and 11,195 equity shares of ₹ 100 each were bought back from Dr. Vandana Lal, for a total consideration of ₹ 50,000,000.
- ⁽⁸⁾ In accordance with a special resolution of our shareholders dated February 2, 2008, 2,417 equity shares of ₹ 100 each were bought back from (Hony.) Brig. Dr. Arvind Lal and 2,416 equity shares of ₹ 100 each were bought back from Dr. Vandana Lal, for a total consideration of ₹ 20,000,742.
- ⁽⁹⁾ Allotments pursuant to ESOP 2005. Dr. Om Prakash Manchanda was allotted 14,666 equity shares of ₹ 100 each, Mr. Roopak Vasishtha was allotted 1,350 equity shares of ₹ 100 each, Mr. Hemant Sultania was allotted 1,955 equity shares of ₹ 100 each, Mr. Vijender Singh was allotted 1,955 equity shares of ₹ 100 each, Dr. Neelum Tripathi was allotted 930 equity shares of ₹ 100 each, Mr. Sameer Kaul was allotted 700 equity shares of ₹ 100 each, Mr. Arun Mathur was allotted 1,250 equity shares of ₹ 100 each, Mr. Ved Prakash Goel was allotted 400 equity shares of ₹ 100 each, Mr. Anil Chandwani was allotted 200 equity shares of ₹ 100 each, Ms. Richa Sharma was allotted 200 equity shares of ₹ 100 each and Mr. Munender Soperna was allotted 200 equity shares of ₹ 100 each.
- ⁽¹⁰⁾ In accordance with a special resolution of our shareholders dated August 20, 2010, 9,341 equity shares of ₹ 100 each were bought back from Dr. Om Prakash Manchanda, 899 equity shares of ₹ 100 each were bought back from Mr. Hemant Sultania, 1,021 equity shares of ₹ 100 each were bought back from Mr. Vijender Singh, 702 equity shares of ₹ 100 each were bought back from Mr. Roopak Vasishtha, 586 equity shares of ₹ 100 each were bought back from Mr. Arun Mathur, 437 equity shares of ₹ 100 each were bought back from Dr. Neelum Tripathi, 132 equity shares of ₹ 100 each were bought back from Mr. Ved Prakash Goel, 233 equity shares of ₹ 100 each were bought back from Mr. Sameer Kaul, 64 equity shares of ₹ 100 each were bought back from Mr. Anil Chandwani, 64 equity shares of ₹ 100 each were bought back from Mr. Munender Soperna and 64 equity shares of ₹ 100 each were bought back from Ms. Richa Sharma, for a total consideration of ₹ 239,995,503.
- ⁽¹¹⁾ In accordance with a special resolution of our shareholders dated July 11, 2011, 1,000 equity shares of ₹ 100 each were bought back from Dr. Om Prakash Manchanda, 330 equity shares of ₹ 100 each were bought back from Mr. Hemant Sultania, 614 equity shares of ₹ 100 each were bought back from Mr. Vijender Singh, 418 equity shares of ₹ 100 each were bought back from Mr. Roopak Vasishtha, 469 equity shares of ₹ 100 each were bought back from Mr. Arun Mathur, 338 equity shares of ₹ 100 each were bought back from Dr. Neelum Tripathi, 158 equity shares of ₹ 100 each were bought back from Mr. Ved Prakash Goel, 197 equity shares of ₹ 100 each were bought back

from Mr. Sameer Kaul, 66 equity shares of ₹100 each were bought back from Mr. Anil Chandwani, 66 equity shares of ₹100 each were bought back from Mr. Munender Soperna and 66 equity shares of ₹100 each were bought back from Ms. Richa Sharma, for a total consideration of ₹65,957,562.

- (12) Pursuant to the terms of ESOP 2005, Mr. Sanjay Bhargava was allotted 42 equity shares of ₹100 each of the Company.
- (13) Bonus issue pursuant to the capitalization of ₹503,235,000 out of reserves. (Hony.) Brig. Dr. Arvind Lal was allotted 2,647,020 equity shares of ₹100 each, Dr. Vandana Lal was allotted 1,686,435 equity shares of ₹100 each, Dr. Archana Lal was allotted 210,000 equity shares of ₹100 each, Mr. Anjaneya Lal was allotted 210,000 equity shares of ₹100 each, Eskay House (HUF) was allotted 180,000 equity shares of ₹100 each, Employee Welfare Trust was allotted 70,770 equity shares of ₹100 each, Dr. Om Prakash Manchanda was allotted 21,885 equity shares of ₹100 each, Mr. Hemant Sultania was allotted 4,800 equity shares of ₹100 each, Mr. Ved Prakash Goel was allotted 1,290 equity shares of ₹100 each, West Bridge Crossover Fund, LLC was allotted 75 equity shares of ₹100 each and Wagner Limited was allotted 75 equity shares of ₹100 each.
- (14) Pursuant to the terms of ESOP 2010, Employee Welfare Trust was allotted 77,408 equity shares of ₹100 each.
- (15) Pursuant to the terms of ESOP 2010, Employee Welfare Trust was allotted 768 equity shares of ₹100 each.
- (16) Pursuant to the terms of ESOP 2010, Dr. Om Prakash Manchanda was allotted 166,560 Equity Shares and Mr. Vijender Singh was allotted 2,800 Equity Shares.
- (17) Pursuant to the terms of ESOP 2010, Employee Welfare Trust was allotted 124,480 Equity Shares.
- (18) Pursuant to the terms of ESOP 2010, Dr. Om Prakash Manchanda was allotted 64,000 Equity Shares.
- (19) Pursuant to the terms of ESOP 2010, Dr. Om Prakash Manchanda was allotted 165,920 Equity Shares and Mr. Ved Prakash Goel was allotted 16,000 Equity Shares.
- (20) Pursuant to the terms of ESOP 2010, Employee Welfare Trust was allotted 637,637 Equity Shares.
- (21) Pursuant to the terms of the amendment agreement dated August 5, 2015, 7,492,645 CCPS were converted into Equity Shares at a conversion ratio of one Equity Share for every CCPS and accordingly Wagner was allotted 5,860,000 Equity Shares, SIH was allotted 161,070 Equity Shares and WCF was allotted 1,471,575 Equity Shares.

(b) History of preference share capital of our Company

The following table sets forth the history of the preference share capital of our Company:

Date of allotment [#]	Number of preference shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of preference shares	Cumulative paid-up preference share capital (₹)
OCPS							
May 25, 2005	125,373	100	2,233.16	Cash	Preferential allotment ⁽¹⁾	125,373	12,537,300
August 20, 2010	(125,373)	100	-	Other than cash	Conversion into CCPS*	-	-
Compulsorily convertible preference shares^{##}							
November 7, 2007	40,503	100	4,138.32	Cash	Preferential allotment ⁽²⁾	40,503	4,050,300
November 30, 2007	576	100	4,138.37**	Cash	Preferential allotment ⁽³⁾	41,079	4,107,900
August 20, 2010	125,373	100	-	Other than cash	Conversion of OCPS*	166,452	16,645,200
<i>Preference Shares issued in the last two years</i>							
September 28, 2013	2,496,780	100	-	Bonus	Bonus issue of 15 preference shares of ₹100 each for every one preference share of ₹100 each held ⁽⁴⁾	2,663,232	266,323,200
Pursuant to a resolution of our shareholders dated March 27, 2015, each preference share of face value ₹100 each was split into ten preference shares of ₹10 each, and accordingly, 2,663,232 preference shares of ₹100 each were split into 26,632,320 preference shares of ₹10 each.							
September 7, 2015	(7,492,645)	10	-	Other than cash	Conversion of 7,492,645 CCPS	19,139,675	191,396,750

[#] The preference shares were fully paid-up on the date of their allotment.

^{##} There are 19,139,675 CCPS outstanding as on the date of this Draft Red Herring Prospectus, all of which would be converted into 19,139,675 Equity Shares prior to the registration of the Red Herring Prospectus with the RoC.

* All outstanding OCPS were converted into compulsorily convertible preference shares of ₹100 each by Board resolution dated August 20, 2010.

** The Form 2 filed in relation to this allotment inadvertently mentions the issue price as being ₹4,138.32, the difference between the actual

issue price and the issue price mentioned in the Form 2 was on account of exchange rate fluctuations between the November 7, 2007 and November 30, 2007 allotments.

- ⁽¹⁾ WestBridge Ventures I Investment Holdings was allotted 125,373 OCPS of ₹100 each in accordance with the terms of the share purchase agreement dated May 13, 2005.
- ⁽²⁾ WestBridge Ventures I Investment Holdings was allotted 40,503 compulsorily convertible preference shares of ₹100 each in accordance with the terms of the subscription-cum-shareholders agreement dated October 15, 2007.
- ⁽³⁾ WestBridge Ventures I Investment Holdings was allotted 576 compulsorily convertible preference shares of ₹100 each in accordance with the terms of the subscription-cum-shareholders agreement dated October 15, 2007.
- ⁽⁴⁾ SIH was allotted 98,535 preference shares of ₹100 each, Wagner was allotted 1,498,080 preference shares of ₹100 each and WCF was allotted 900,165 preference shares of ₹100 each.

(c) Shares issued for consideration other than cash

Details of equity shares issued for consideration other than cash or bonus issues are as follows:

Date of allotment	Number of equity shares	Face value (₹)	Issue price (₹)	Reasons for allotment	Allottees	Benefits accrued to the Company
September 11, 2003	147,090	100	-	Bonus issue of three equity shares of ₹ 100 each for every one equity share of ₹ 100 each held	(Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal.	-
September 28, 2013	5,032,350	100	-	Bonus issue of 15 equity shares of ₹ 100 each for every one equity share of ₹ 100 each held	(Hony.) Brig. Dr. Arvind Lal, Dr. Vandana Lal, Dr. Archana Lal, Mr. Anjaneya Lal, Eskay House (HUF), Employee Welfare Trust, Dr. Om Prakash Manchanda, Mr. Hemant Sultania, Mr. Ved Prakash Goel, WCF and Wagner.	-
September 7, 2015	7,492,645	10	-	Conversion of 7,492,645 CCPS	SIH, Wagner and WCF.	-

Details of preference shares issued for consideration other than cash or bonus issues are as follows:

Date of allotment	Number of Preference Shares	Face value (₹)	Issue price (₹)	Reasons for allotment	Allottees	Benefits accrued to the Company
August 20, 2010	125,373	100	-	Conversion of OCPS into CCPS	WestBridge Ventures I Investment Holdings.	-
September 28, 2013	2,496,780	100	-	Bonus issue of 15 preference shares of ₹ 100 each for every one preference share of ₹ 100 each held	SIH, Wagner and WCF.	-

Our Company has not issued any bonus shares out of capitalization of its revaluation reserves or unrealized profits.

2. History of Build up, Contribution and Lock-in of Promoters' Shareholding

a) Build up of Promoters' shareholding in our Company

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

Name of the Promoter	Date of allotment/ transfer/ buy-back	Nature of transaction	No. of equity shares	Consideration	Face value (₹)	Issue/ acquisition/ buy-back price per Equity Share (₹)	% of pre- Offer equity capital	% of post- Offer capital*
(Hony.) Brig. Dr. Arvind Lal	February 14, 1995	Subscription to the MoA	10	Cash	100	100.00	Negligible	Negligible
	April 30, 1997	Preferential allotment	10,000	Cash	100	100.00	0.02	0.01
	April 30, 1998	Preferential allotment	10,000	Cash	100	100.00	0.02	0.01
	June 4, 2003	Transfer from Ms. Vimla Lal	10,010	Cash	100	100.00	0.02	0.01
	September 11, 2003	Bonus issue of three equity shares of ₹ 100 each for every one equity share of ₹ 100 each held	90,060	Bonus	100	-	0.14	0.11
	April 20, 2004	Preferential allotment	70,000	Cash	100	100.00	0.11	0.09
	June 20, 2005	Buy back	(11,195)	-	100	(2,233.16)	(0.02)	(0.01)
	February 29, 2008	Buy back	(2,417)	-	100	(4,138.37)	Negligible	Negligible
	September 28, 2013	Bonus issue of 15 equity shares of ₹ 100 each for every one equity share of ₹ 100 each held	2,647,020	Bonus	100	-	4.19	3.22
Pursuant to a resolution of our shareholders dated March 27, 2015, each equity share of face value ₹ 100 each was split into ten equity shares of ₹ 10 each, and accordingly, 2,823,488 equity shares of ₹ 100 each were split into 28,234,880 equity shares of ₹ 10 each.								
<i>Sub-total</i>			<i>28,234,880</i>				<i>44.72</i>	<i>34.32</i>
Dr. Vandana Lal	February 14, 1995	Subscription to the MoA	10	Cash	100	100.00	Negligible	Negligible
	April 30, 1998	Preferential allotment	9,000	Cash	100	100.00	0.01	0.01
	June 4, 2003	Transfer from Ms. Vimla Lal	10,000	Cash	100	100.00	0.02	0.01
	September 11, 2003	Bonus issue of three equity shares of ₹ 100 each for every one equity share of ₹ 100 each held	57,030	Bonus	100	-	0.09	0.07
	April 20, 2004	Preferential allotment	50,000	Cash	100	100.00	0.08	0.06
	June 20, 2005	Buy back	(11,195)	-	100	(2,233.16)	(0.02)	(0.01)
	February 29, 2008	Buy back	(2,416)	-	100	(4,138.37)	Negligible	Negligible
	September 28, 2013	Bonus issue of 15 equity shares of ₹ 100 each for every one equity share of ₹ 100 each held	1,686,435	Bonus	100	-	2.67	2.05
	Pursuant to a resolution of our shareholders dated March 27, 2015, each equity share of face value ₹ 100 each was split into ten equity shares of ₹ 10 each, and accordingly, 1,798,864 equity shares of ₹ 100 each were split into 17,988,640 equity shares of ₹ 10 each.							
<i>Sub-total</i>			<i>17,988,640</i>				<i>28.49</i>	<i>21.87</i>
Eskay House (HUF)	April 20, 2004	Preferential allotment	12,000	Cash	100	100.00	0.02	0.01
	September 28, 2013	Bonus issue of 15 equity shares of ₹ 100 each for every one equity share of ₹ 100 each held	180,000	Bonus	100	-	0.29	0.22
Pursuant to a resolution of our shareholders dated March 27, 2015, each equity share of face value ₹ 100 each was split into ten equity shares of ₹ 10 each, and accordingly, 192,000 equity shares of ₹ 100 each were split into 1,920,000 equity shares of ₹ 10 each.								

Name of the Promoter	Date of allotment/ transfer/ buy-back	Nature of transaction	No. of equity shares	Consideration	Face value (₹)	Issue/ acquisition/ buy-back price per Equity Share (₹)	% of pre- Offer equity capital	% of post- Offer capital*
Sub-total			1,920,000				3.04	2.33
Total			48,143,520				76.26	58.52

* Post conversion of all CCPS which are outstanding as of the date of this Draft Red Herring Prospectus i.e. 19,139,675 CCPS will be converted into 19,139,675 Equity Shares.

All the Equity Shares held by the Promoter were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by our Promoters are pledged.

b) *Shareholding of our Promoters and Promoter Group*

Provided below are details of Equity Shares held by our Promoters and members of the Promoter Group as on the date of this Draft Red Herring Prospectus:

S No.	Name of shareholder	Pre-Offer		Post-Offer [*]	
		No. of Equity Shares	Percentage of pre-Offer capital (%)	No. of Equity Shares	Percentage of post-Offer capital (%)
Promoters					
1.	(Hony.) Brig. Dr. Arvind Lal	28,234,880	44.72	26,972,884	32.79
2.	Dr. Vandana Lal	17,988,640	28.49	15,931,893	19.37
3.	Eskay House (HUF)	1,920,000	3.04	1,681,774	2.04
Sub total (A)		48,143,520	76.26	44,586,551	54.20
Promoter Group					
1.	Dr. Archana Lal	2,240,000	3.55	2,240,000	2.72
2.	Mr. Anjaneya Lal	2,240,000	3.55	1,689,614	2.05
Sub total (B)		4,480,000	7.10	3,929,614	4.78
Total Promoter & Promoter Group (A+B)		52,623,520	83.36	48,516,165	58.97

* Assuming full subscription of Equity Shares offered by (Hony.) Brig. Dr. Arvind Lal, Dr. Vandana Lal and Mr. Anjaneya Lal for sale as part of the Offer and post conversion of all CCPS which are outstanding as of the date of this Draft Red Herring Prospectus i.e. 19,139,675 CCPS will be converted into 19,139,675 Equity Shares.

c) *Details of Promoters' contribution and lock-in for three years*

Pursuant to Regulation 36(a) of the SEBI Regulations, an aggregate of 20% of the fully diluted post-Offer capital of our Company held by our Promoters shall be considered as minimum promoters' contribution and locked-in for a period of three years from the date of Allotment ("Promoters' Contribution").

The lock-in of the Promoters' Contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock Exchanges before the listing of the Equity Shares.

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 48,143,520 Equity Shares constituting 76.26% of the issued, subscribed and paid-up Equity Share capital of our Company which are eligible for Promoters' Contribution.

(Hony.) Brig. Dr. Arvind Lal, Dr. Vandana Lal and Eskay House (HUF) have, pursuant to their letters each dated September 11, 2015, given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoters' Contribution and have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of filing this Draft Red Herring Prospectus, until the commencement of the lock-in period specified above, or for such other time as required under SEBI Regulations. Details of Promoters' Contribution are as provided below:

Name of the Promoter	No. of Equity Shares* locked-in	Date of allotment [#]	Face value* (₹)	Issue price (₹)	Nature of transaction	% of the fully diluted post- Offer Capital**
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Name of the Promoter	No. of Equity Shares* locked-in	Date of allotment [#]	Face value* (₹)	Issue price (₹)	Nature of transaction	% of the fully diluted post- Offer Capital**
(Hony.) Brig. Dr. Arvind Lal	9,817,018	September 28, 2013	10	-	Original allotment - Bonus*	11.73
Dr. Vandana Lal	6,254,491	September 28, 2013	10	-	Original allotment - Bonus*	7.47
Eskay House (HUF)	667,567	September 28, 2013	10	-	Original allotment - Bonus*	0.80
Total	16,739,076					20.00

[#] Equity Shares were fully paid-up on the date of allotment.

* As at the date of their allotment the face value of the equity shares of our Company was ₹100 each. Pursuant to a resolution of our shareholders dated March 27, 2015 each equity share of face value ₹100 each was split into ten equity shares of ₹10 each.

** Assuming full exercise of all options granted and vested under ESOP 2010 and post conversion of all CCPS outstanding as of the date of this Draft Red Herring Prospectus i.e. 19,139,675 CCPS which will be converted into 19,139,675 Equity Shares.

Our Promoters have confirmed to the Company and the BRLMs that the acquisition of Equity Shares held by our Promoters have been financed from their personal funds or their internal accruals, as the case may be, and no loans or financial assistance from any banks or financial institution has been availed by them for this purpose.

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot, as required under the SEBI Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 33 of the SEBI Regulations. In this computation, as per Regulation 33 of the SEBI Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

- (i) The Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalisation of intangible assets or bonus shares issued out of revaluations reserves or unrealised profits or bonus shares which are otherwise ineligible for computation of Promoters' Contribution;
- (ii) The Equity Shares acquired during the year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- (iii) Equity Shares issued to the Promoters upon conversion of a partnership firm; and
- (iv) Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.

The Equity Shares held by our Promoters may be transferred to and among the Promoters, members of the Promoter Group or to new promoters 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 Takeover Code, as applicable.

3. Sale, purchase or subscription of our Company's securities by our Promoter, Promoter Group and our Directors within three years immediately preceding the date of this Draft Red Herring Prospectus, which in aggregate is equal to or greater than 1% of the pre-Offer capital of our Company.

Provided below are details of sale, purchase or subscription of our Company's securities by our Promoter, Promoter Group and our Directors within three years immediately preceding the date of this Draft Red Herring Prospectus, which in aggregate is equal to or greater than 1% of the pre-Offer capital of our Company.

Name of shareholder	Promoter/ Promoter Group /Director	Number of equity shares subscribed/ acquired	Number of Equity Shares sold
(Hony.) Brig. Dr. Arvind Lal	Promoter, Chairman and Managing Director	2,647,020*	-
Dr. Vandana Lal	Promoter, Whole Time Director	1,686,435*	-
Eskay House (HUF)	Promoter	180,000*	-
Dr. Archana Lal	Promoter Group	210,000*	-
Mr. Anjaneya Lal	Promoter Group	210,000*	-

Name of shareholder	Promoter/ Promoter Group /Director	Number of equity shares subscribed/ acquired	Number of Equity Shares sold
Mr. Rahul Sharma	Director	20,197**	-
Dr. Om Prakash Manchanda	Director	80,541*	58,656*
		898,548**	-

* Equity shares of ₹100 each. Pursuant to a resolution of our shareholders dated March 27, 2015 each equity share of face value ₹100 each was split into ten equity shares of ₹10 each.

** Equity shares of ₹10 each.

4. Sales or purchases of securities of our Company by our Promoters, the members of our Promoter Group or our Directors or their relatives during the six months preceding the date of this Draft Red Herring Prospectus.

Details of sales or purchases of securities of our Company by our Promoters, the members of our Promoter Group or our Directors or their relatives during the six months preceding the date of this Draft Red Herring Prospectus is as below:

Name	Promoter/ Promoter Group /Director	Date of allotment/ transfer	Nature of transaction	No. of Equity Shares	Issue/ Acquisition price per Equity Share (₹)
Dr. Om Prakash Manchanda	Director	March 30, 2015	Allotment under ESOP 2010	166,560	110.80
		May 29, 2015	Transfer from the Employee Welfare Trust under ESPS 2015	10,708	311.30
		June 3, 2015	Allotment under ESOP 2010	64,000	110.80
		June 10, 2015	Allotment under ESOP 2010	165,920 ⁽¹⁾	110.80
		August 12, 2015	Transfer from Employee Welfare Trust under ESOP 2010	201,760 ⁽²⁾	110.80
		August 17, 2015	Transfer from the Employee Welfare Trust under ESOP 2010	289,600 ⁽³⁾	110.80
Mr. Rahul Sharma	Director	August 17, 2015	Transfer from the Employee Welfare Trust under ESOP 2010	20,197	110.80

⁽¹⁾ This transfer was financed by a loan of ₹29.89 million availed by Dr. Om Prakash Manchanda from the Company which is repayable in 72 equal monthly instalments commencing June 15, 2015 and is subject to interest at the rate of 8.00% annually.

⁽²⁾ This transfer was financed by a loan of ₹36.35 million availed by Dr. Om Prakash Manchanda from the Company which is repayable in 24 quarterly instalments commencing October 15, 2015 and is subject to interest at the rate of 8.00% annually.

⁽³⁾ The transfer of 249,600 Equity Shares was financed by a loan of ₹44.98 million availed by Dr. Om Prakash Manchanda from the Company which is repayable in bullet payments no later than six years, is subject to interest at the rate of 8.00% annually with accumulated interest being added to the loan annually.

5. Details of share capital locked-in for one year

Except for (a) the Promoters' Contribution which shall be locked in as above; (b) the Equity Shares, if any, held by persons who are employees of our Company as on the date of Allotment pursuant to allotment under ESOP 2005 and ESOP 2010 or transfers under ESPS 2015; and (c) the proportion of Equity Shares which are sold or transferred as part of the Offer for Sale by each of the Promoter Selling Shareholders and the respective Investor Selling Shareholder, the entire pre-Offer equity share capital of our Company (including those Equity Shares held by our

Promoters in excess of Promoters' Contribution), shall be locked in for a period of one year from the date of Allotment. Any respective unsubscribed portion of the Equity Shares being offered by each of the Promoter Selling Shareholders and the Investor Selling Shareholder, as applicable, in the Offer for Sale would also be locked-in as required under the SEBI Regulations.

In terms of Regulation 40 of the SEBI Regulations, Equity Shares held by the Promoters may be transferred to and among the Promoters and or members of the Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of the transferee for the remaining period and compliance with provisions of the Takeover Code. The Equity Shares held by persons other than the Promoters prior to the Offer, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in the hands of the transferee, compliance with the provisions of the Takeover Code.

Lock-in of Equity Shares Allotted to Anchor Investors

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

6. Our shareholding pattern

The table below represents the equity shareholding pattern of our Company before the Offer and as adjusted for this Offer, including the Offer for Sale:

Description	Number of shareholders	Pre Offer (prior to conversion of CCPS)						Pre Offer (post conversion of CCPS)		Post Offer*			
Category of Shareholder		Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares		Shares pledged or otherwise encumbered		Total number of Equity Shares	Total shareholding as a % of total number of Equity Shares	Total number of Equity Shares	Total shareholding as a % of total number of Equity Shares	Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C+D)	Number of shares	As a % of (A+B+C+D)					Number of shares	As a %

Shareholding of Promoters and Promoter Group (A)

Indian													
Individuals/ Hindu Undivided Family	5	52,623,520	52,623,520	85.56	83.36	-	-	52,623,520	63.96	48,516,165	58.97	-	-
Central Government/ State Government (s)	-	-	-	-	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions/Banks	-	-	-	-	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign													
Individuals (Non-Resident)	-	-	-	-	-	-	-	-	-	-	-	-	-
Individuals/Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-
Bodies Corporate (OCBs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions/FII	-	-	-	-	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters and Promoter Group (A)	5	52,623,520	52,623,520	85.56	83.36	-	-	52,623,520	63.96	48,516,165	58.97	-	-

Public shareholding (B)

Institutions (B)(1)													
Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial	-	-	-	-	-	-	-	-	-	-	-	-	-

Description	Number of shareholders	Pre Offer (prior to conversion of CCPS)						Pre Offer (post conversion of CCPS)		Post Offer*			
Category of Shareholder		Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares		Shares pledged or otherwise encumbered		Total number of Equity Shares	Total shareholding as a % of total number of Equity Shares	Total number of Equity Shares	Total shareholding as a % of total number of Equity Shares	Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C+D)	Number of shares	As a % of (A+B+C+D)					Number of shares	As a % of (A+B+C+D)
Institutions / Banks													
Central Government/State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Investor	3	7,494,245	7,494,245	12.19	11.87	-	-	26,633,920	32.37	19,141,275	23.27	-	-
Venture Capital Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Company	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	3	7,494,245	7,494,245	12.19	11.87	-	-	26,633,920	32.37	19,141,275	23.27	-	-
Non-institutions (B)(2)													
Bodies Corporate	1	1,000	1,000	0.00	0.00	-	-	1,000	0.00	1,000	0.00	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Trust	-	-	-	-	-	-	-	-	-	-	-	-	-
Individuals													
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	4	29,504	29,504	0.05	0.05	-	-	29,504	0.04	29,504	0.04	-	-
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	4	1,355,345	1,355,345	2.20	2.15	-	-	1,355,345	1.65	1,355,345	1.65	-	-
Foreign Bodies	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	9	1,385,849	1,385,849	2.25	2.20	-	-	1,385,849	1.68	1,385,849	1.68	-	-
Public shareholding pursuant to the Offer (B)(3)	-	-	-	-	-	-	-	-	-	11,600,000	14.10	-	-
Total Public Shareholding (B) = (B)(1)+(B)(2)+B(3)	12	8,880,094	8,880,094	14.44	14.07	-	-	28,019,769	34.06	32,127,124	39.05	-	-
(C) Shares held by custodians and against which Depository receipts have been issued													
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-	-	-	-	-
(D) Non-promoter and non-public	1	1,626,588	1,626,588	2.64	2.58	-	-	1,626,588	1.98	1,626,588	1.98	-	-
GRAND TOTAL (A)+(B)+(C)+(D)	18	63,130,202	63,130,202	100.00	100.00	-	-	82,269,877	100.00	82,269,877	100.00	-	-

Assuming full subscription of Equity Shares offered by the Selling Shareholders as part of the Offer and post conversion of all CCPS which are outstanding as of the date of this Draft Red Herring Prospectus i.e. 19,139,675 CCPS which will be converted into 19,139,675 Equity Shares.

7. Shareholding of our Directors and Key Managerial Personnel in our Company

Details of our Directors and Key Managerial Personnel who hold Equity Shares as on the date of this Draft Red Herring Prospectus are as follows:

Name	No. of Equity Shares	% of pre-Offer Equity Share capital
(Hony.) Brig. Dr. Arvind Lal	28,234,880	44.72
Dr. Vandana Lal	17,988,640	28.49
Dr. Om Prakash Manchanda	1,131,988	1.79
Mr. Rahul Sharma	20,197	0.03
Mr. Dilip Bidani	8,978	0.01

8. Public shareholders holding more than 1% of the pre-Offer paid-up capital of our Company

The details of the public shareholders holding more than 1% of the pre-Offer paid-up Equity Share capital of our Company and their pre-Offer and post-Offer shareholding are set forth in the table below:

Name of Shareholder	Pre-Offer		Post-Offer*	
	No. of Equity Shares	%	No. of Equity Shares	%
Wagner	5,860,800	9.28	7,609,459	9.25
WCF	1,472,375	2.33	10,641,846	12.94
Dr. Om Prakash Manchanda	1,131,988	1.79	1,131,988	1.38

* Assuming full subscription of Equity Shares offered by WCF and Wagner for sale as part of the Offer and post conversion of all CCPS which are outstanding as of the date of this Draft Red Herring Prospectus i.e. 19,139,675 CCPS will be converted into 19,139,675 Equity Shares.

9. As on the date of this Draft Red Herring Prospectus, our Company has 18 holders of Equity Shares and 3 holders of Preference Shares.

10. Top ten shareholders

- (a) Our top ten Equity Shareholders and the number of Equity Shares held by them as on ten days prior to the filing of this Draft Red Herring Prospectus:

S. No.	Shareholder	No. of Equity Shares Held	No. of CCPS Held	Percentage of equity holding
1.	(Hony.) Brig. Dr. Arvind Lal	28,234,880	-	50.75
2.	Dr. Vandana Lal	17,988,640	-	32.33
3.	Dr. Archana Lal	2,240,000	-	4.03
4.	Mr. Anjaneya Lal	2,240,000	-	4.03
5.	Eskay House (HUF)	1,920,000	-	3.45
6.	Dr. Lal PathLabs Pvt. Ltd. Employees Welfare Trust	1,626,588	-	2.92
7.	Dr. Om Prakash Manchanda	1,131,988	-	2.03
8.	Mr. Hemant Sultania	169,400	-	0.30
9.	Mr. Ved Prakash Goel	33,760	-	0.06
10.	Mr. Rahul Sharma	20,197	-	0.04
	Total	55,605,453		99.94

- (b) Our top ten Equity Shareholders and the number of Equity Shares held by them as of the date of this Draft Red Herring Prospectus:

S. No.	Shareholder	No. of Equity Shares Held	No. of CCPS Held	Percentage of equity holding
1.	(Hony.) Brig. Dr. Arvind Lal	28,234,880	-	44.72
2.	Dr. Vandana Lal	17,988,640	-	28.49
3.	Wagner	5,860,800	7,608,659*	9.28
4.	Dr. Archana Lal	2,240,000	-	3.55
5.	Mr. Anjaneya Lal	2,240,000	-	3.55
6.	Eskay House (HUF)	1,920,000	-	3.04
7.	Employee Welfare Trust	1,626,588	-	2.58
8.	WCF	1,472,375	10,641,046*	2.33
9.	Dr. Om Prakash Manchanda	1,131,988	-	1.79

S. No.	Shareholder	No. of Equity Shares Held	No. of CCPS Held	Percentage of equity holding
10.	Mr. Hemant Sultania	169,400	-	0.27
	Total	62,884,671		99.61

* Upon conversion of the CCPS, Wagner and WCF will be allotted 7,608,659 and 10,641,046 respectively. SIH holds 161,070 Equity Shares constituting 0.26% of our equity share capital and 889,970 CCPS as on the date of this Draft Red Herring Prospectus and will be allotted 889,970 Equity Shares upon conversion of the 889,970 CCPS held by it.

- (c) Our top ten Equity Shareholders two years prior to filing of this Draft Red Herring Prospectus are as follows:

S. No.	Shareholder	No. of equity shares of ₹ 100 each held	Percentage of equity holding
1.	(Hony.) Brig. Dr. Arvind Lal	176,468	52.60
2.	Dr. Vandana Lal	112,429	33.51
3.	Dr. Archana Lal	14,000	4.17
4.	Mr. Anjaneya Lal	14,000	4.17
5.	Eskay House (HUF)	12,000	3.58
6.	Employee Welfare Trust	4,718	1.41
7.	Dr. Om Prakash Manchanda	1,459	0.43
8.	Mr. Hemant Sultania	320	0.10
9.	Mr. Ved Prakash Goel	86	0.03
10.	WCF	5	Negligible
	Wagner	5	Negligible
	Total	335,490	100.00

For details relating to the cost of acquisition of Equity Shares by the Promoters, see the sub-section titled “Risk Factors – Prominent Notes” on page 46.

11. Employee Stock Option Schemes

(a) ESOP 2005

Our shareholders by a resolution dated August 25, 2006 approved the Dr. Lal Pathlabs Pvt. Ltd. Employee Stock Option Plan 2005 (“**ESOP 2005**”) in accordance with the terms of the share subscription agreement dated May 13, 2005 entered into amongst our Company, our Promoters and WestBridge Ventures I Investment Holdings, for granting options to select employees against which Equity Shares are to be allotted to those employees at a pre-determined price. ESOP 2005 came into effect on July 21, 2006.

Under ESOP 2005, the maximum number of options which could be offered to eligible employees was 24,164 equity shares of ₹ 100 each, exercisable into 24,164 equity shares of ₹ 100 each. Under ESOP 2005, our Company had granted 23,806 options convertible into 23,806 equity shares of ₹ 100 each to eligible employees all of which have vested and have been exercised. Accordingly, none of the options granted have lapsed or been forfeited, and Nil are outstanding. However, 247,200 Equity Shares allotted under ESOP 2005 are currently held by our employees as on the date of this Draft Red Herring Prospectus.

ESOP 2005 was absorbed into ESOP 2010 in accordance with the terms of Amended and Restated SHA and is no longer in existence and further our Board by a resolution dated August 21, 2015 has decided that no fresh grants will be made under ESOP 2010.

(b) ESOP 2010

Our shareholders by a resolution dated August 31, 2010 approved the Dr. Lal Pathlabs Pvt. Ltd. Employee Stock Option Plan 2010 (“**ESOP 2010**”), for granting options to select employees against which Equity Shares are to be allotted to those employees at a pre-determined price. ESOP 2010 came into effect on August 31, 2010 and shall continue to remain in force unless terminated.

Under ESOP 2010, 23,806 options were earmarked to be offered to eligible employees of our Company exercisable into 23,806 equity shares of ₹ 100 each which is currently equivalent to 3,808,960 Equity

Shares on account of the bonus issue of 15 equity shares of ₹ 100 each for every one equity share of ₹ 100 each on September 28, 2013 (the “**2013 Bonus Issue**”) and the split of each equity share of face value ₹ 100 each into ten equity shares of ₹ 10 each pursuant to a resolution of our shareholders dated March 27, 2015 (the “**2015 Share Split**”). As on August 31, 2015, taking into account the effect of the 2013 Bonus Issue and the 2015 Share Split our Company has granted 3,774,340 options convertible into 3,774,340 equity shares of ₹ 10 each to eligible employees under ESOP 2010 of which 2,01,440 have lapsed, 34,16,638 have vested, 2,127,200 have been exercised and 1,425,503 are outstanding. Our Board by a resolution dated August 21, 2015 has decided that no further options will be granted under ESOP 2010.

The details of ESOP 2010 are as follows:

Particulars	Details			
	Period between April 1, 2015 to August 31, 2015	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
No. of options as at beginning of the period [†]	2,429,060	3,374,560	3,512,160	3,432,160
Options granted	-	162,180	56,000	80,000
Pricing Formula	Fair value method			
Exercise price of options (in ₹)	110.76/ 311.30 [†]	110.76/ 311.30 [†]	110.76	110.76
Total options vested (includes options exercised)	2,277,278	3,255,820	2,842,240	2,039,040
Options exercised	1,003,557	1,019,360	120,000	Nil
Total number of Equity Shares arising as a result of full exercise of options already granted	1,425,503	2,429,060	3,374,560	3,512,160
Options forfeited/ lapsed/ cancelled**	-	88,320	73,600	Nil
Variations in terms of options	Nil [†]	Nil [†]	Nil	Nil
Money realised by exercise of options (in ₹)	111,194,116	112,945,088	13,291,200	Nil
Options outstanding (in force)	1,425,503	2,429,060	3,374,560	3,512,160

[†] Number of options take into account the effect of the 2013 Bonus Issue and the 2015 Share Split.

Person wise details of options granted to							
i) Directors and key managerial employees*	Name		No. of options				
			Granted (as on the date of the grant)	Granted (accounting for the 2013 Bonus Issue and the 2015 Share Split)	Exercised	Outstanding	
	Dr. Om Prakash Manchanda	14,666	2,346,560	1,474,400	872,160		
	Mr. Rahul Sharma	16,218	162,180	20,197	141,983		
ii) Any other employee* who received a grant in any one year of options amounting to 5% or more of the options granted during each of Fiscal Years 2015, 2014,	Name of Employee	No. of options					
		Granted	Granted (accounting for the 2013 Bonus Issue and the 2015 Share Split)	Exercised	Exercised (accounting for the 2013 Bonus Issue and the 2015 Share Split)	Outstanding	Outstanding (accounting for the 2013 Bonus Issue and the 2015 Share Split)
	Mr. Ved Prakash	175	28,000	61	9,760	114	18,240

Particulars	Details						
	Period between April 1, 2015 to August 31, 2015	Fiscal Year 2015			Fiscal Year 2014		Fiscal Year 2013
2013 and the period between April 1, 2015 to August 31, 2015	Goel (Fiscal Year 2014)						
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 shares on exercise of options in accordance with the relevant accounting standard	NA	11.17			6.70		81.25
Vesting schedule	Tranche		Vesting Date		No. of options		No. of options (accounting for the 2013 Bonus Issue and the 2015 Share Split)
	Tranche 1		51 months on monthly basis from the date of grant		18,576		2,972,160
	Tranche 2		51 months on monthly basis from the date of grant		2,875		460,000
	Tranche 3		60 months on monthly basis from the date of grant		500		80,000
	Tranche 4		60 months on monthly basis from the date of grant		175		28,000
	Tranche 5		60 months on monthly basis from the date of grant		175		28,000
	Tranche 6		48 months on monthly basis from the date of grant		16,218		162,180 ^{**}
	^{**} Accounting for the 2015 Share Split only as these are post the 2013 Bonus Issue.						
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and employee compensation cost calculated on the basis of fair value of stock options	We have used the Fair market value basis for computing the employee cost, hence not applicable.						
Impact on the profits of our Company and on the EPS# arising due to difference in the accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock	We have used the Fair market value basis for computing the employee cost, hence not applicable.						

Particulars	Details			
	Period between April 1, 2015 to August 31, 2015	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
options over the intrinsic value of the stock options)				
Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than market price of the stock	Not applicable since market price is not available being an unlisted company.			
Method and significant assumptions used to estimate the fair value of options granted during the year:				
Method used	We have used weighted average of fair values determined on the basis of the Discounted Cash Flow and Comparable Transaction method as per merchant valuer report.			
Risk free interest rate	We have considered average of yield to maturity on 10 year G-Sec of India for last one year at 8.33%.			
Expected Life	Perpetual			
Expected Volatility	We have taken 15% volatility on the historical variance on the index			
Expected Dividends	Expected dividend yield has been considered as per historically dividend pay-out during the expected life of the options.			
Price of underlying shares in market at the time of option grant	Not applicable since market price is not available being an unlisted company.			

* Employees represent our permanent employees as on date of this Draft Red Herring Prospectus.

** Cancelled on account of disassociation of employees.

Our Company has followed the fair value method for calculating employee compensation as per the ESOS Regulations. The exercise price is the same as the grant price which was the fair value at the time of grant.

(c) ESPS 2015

Our shareholders by a resolution dated May 11, 2015 approved the Dr. Lal PathLabs Private Limited Employee Share Purchase Scheme 2015 (“**ESPS 2015**”) which is a performance based plan entitling eligible employees to seek transfer of Equity Shares from the Employee Welfare Trust, which is determined upon evaluation of their performance during the year and the fair market value of the Equity Shares as on April 1 of every year. The transfers from the Employee Welfare Trust would be adjusted against a performance based amount which is determined in accordance with ESPS 2015 and transferred by our Company to the Employee Welfare Trust. ESPS 2015 came into effect on April 1, 2014 and shall continue to remain in force unless terminated.

As per certificate dated September 7, 2015 provided by KPMG, the ESPS 2015 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended.

The details of ESPS 2015 are as follows:

Particulars	Details	
	(As per grant letters issued as on the date of this Draft Red Herring Prospectus)	
Total number of Equity Shares granted/ made available for transfer	43,854	
Total number of Equity Shares transferred	37,412	
Evaluation period	April 1, 2014 to March 31, 2015	
Pricing Formula	Fair value method as on March 31, 2015	

Particulars	Details (As per grant letters issued as on the date of this Draft Red Herring Prospectus)						
Transfer price of Equity Shares (in ₹)	311.30						
Aggregate performance based amount transferred to the Employee Welfare Trust for Fiscal Year 2015	13,651,749						
Aggregate income tax paid by employees (who chose to not purchase Equity Shares net of tax) for Fiscal Year 2015	2,874,437						
Maximum performance based amount made available for Fiscal Year 2016	30,500,000						
Maximum number of Equity Shares available for grant assuming 100% performance levels for Fiscal Year 2016	97,977						
Person wise details							
i) Directors and key managerial employees*	Name	Equity Shares made available for grant	Equity Shares transferred	Transfer price	Aggregate amount	Income tax paid by the employee	Lock-in
	Dr. Om Prakash Manchanda (for Fiscal Year 2015)	10,708	10,708	311.30*	3,333,400	1,133,023	Until March 31, 2017
	Mr. Dilip Bidani (for Fiscal Year 2015)	13,600	8,978 [#]	311.30*	4,233,680 [#]	-	Until March 31, 2017
	Total	24,308	19,686		7,567,080	1,133,023	
	* Fair value of the Equity Shares as on March 31, 2015						
	[#] This was the pre-tax amount from which tax was deducted.						
	Name	Date of commencement of evaluation period	Maximum Performance Based amount available	Maximum number of Equity Shares available at 100% performance levels*	Lock-in		
	Dr. Om Prakash Manchanda (for Fiscal Year 2016)	April 1, 2015	10,000,000	32,124	Two years from the date of grant		
	Mr Dilip Bidani (for Fiscal Year 2016)	April 1, 2015	3,000,000	9,637	Two years from the date of grant		
	Total		13,000,000	41,761			
	* Calculated assuming the transfer at ₹ 311.30 which is the fair value of the Equity Shares as on March 31, 2015 and assuming employees do not avail the option of adjusting applicable taxes against the total number.						
ii) All other employees	Number of employees	Equity Shares made available for grant	Equity Shares transferred	Transfer price	Aggregate amount	Income tax paid by the employee	Lock-in
	Three (for Fiscal Year 2015)	19,546	17,726	311.30*	6,084,669	1,741,414	Until March 31, 2017
	* Fair value of the Equity Shares as on March 31, 2015.						

Particulars	Details (As per grant letters issued as on the date of this Draft Red Herring Prospectus)				
	Number of employees	Date of commencement of evaluation period	Maximum Performance Based amount available	Maximum number of Equity Shares available at 100% performance levels*	Lock-in
	Seven (for Fiscal Year 2016)	April 1, 2015	17,500,000	56,216	Two years from the date of grant
* Calculated assuming the transfer at ₹ 311.30 which is the fair value of the Equity Shares as on March 31, 2015 and assuming employees do not avail the option of adjusting applicable taxes against the total number.					

Currently, the stock option schemes in force in our Company are the ESOP 2010 (though no further options are being granted under this scheme) and the ESPS 2015.

The holders of Equity Shares allotted upon exercise of options granted under ESOP 2010 and Equity Shares transferred from the Employee Welfare Trust under ESPS 2015, respectively, may sell such Equity Shares within three months after the listing of the Equity Shares pursuant to the Offer.

Further, except Dr. Om Prakash Manchanda, none of our Directors, Key Managerial Personnel or employees hold options under ESOP 2010 which, upon exercise, will result in allotment of Equity Shares amounting to more than 1% of the issued Equity Share capital of our Company and none of our Directors, Key Managerial Personnel or employees have been transferred Equity Shares under ESPS 2015 which amount to more than 1% of the issued Equity Share capital of our Company.

12. The details of Equity Shares issued by our Company in the last one year preceding the date of filing of this Draft Red Herring Prospectus which may have been issued at a price lower than the Offer Price are as follows:

S. No.	Name of person/entity	Whether belongs to Promoter Group	Date of allotment	Number of equity shares	Face value (₹)	Issue price per equity share	Reason for allotment
1.	Employee Welfare Trust	No	October 8, 2014	77,408	100	1,108.00	Allotment pursuant to ESOP 2010
			January 16, 2015	768	100	1,108.00	Allotment pursuant to ESOP 2010
			April 23, 2015	124,480	10	110.80	Allotment pursuant to ESOP 2010
			August 21, 2015	637,637	10	110.80	Allotment pursuant to ESOP 2010
2.	Dr. Om Prakash Manchanda	No	March 30, 2015	166,560	10	110.80	Allotment pursuant to ESOP 2010
			June 3, 2015	64,000	10	110.80	Allotment pursuant to ESOP 2010
			June 10, 2015	165,920	10	110.80	Allotment pursuant to ESOP 2010
3.	Mr. Vijender Singh	No	March 30, 2015	2,800	10	110.80	Allotment pursuant to ESOP 2010
4.	Mr. Ved Prakash Goel	No	June 10, 2015	16,000	10	110.80	Allotment pursuant to

S. No.	Name of person/ entity	Whether belongs to Promoter Group	Date of allotment	Number of equity shares	Face value (₹)	Issue price per equity share	Reason for allotment
5.	Wagner	No	September 7, 2015	5,860,000	10	-	ESOP 2010 Conversion of 5,860,000 CCPS
6.	SIH	No	September 7, 2015	161,070	10	-	Conversion of 161,070 CCPS
7.	WCF	No	September 7, 2015	1,471,575	10	-	Conversion of 1,471,575 CCPS

13. Our Company, our Directors and the BRLMs have not entered into any buy-back, standby and/or any other similar arrangements for the purchase of Equity Shares being offered through this Offer.
14. Neither the BRLMs nor their associates hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus. The BRLMs and their affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company and/or our Subsidiaries, for which they may in the future receive customary compensation.
15. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, our Subsidiaries, the Directors, the Promoters or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid.
16. Our Company has not issued any Equity Shares out of its revaluation reserves.
17. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.
18. Other than 19,139,675 CCPS, which will be converted into 19,139,675 Equity Shares prior to the registration of the Red Herring Prospectus with the RoC in accordance with the terms of the amendment agreement dated August 5, 2015, the options granted under ESOP 2010 or Equity Shares to be transferred based on performance based amounts under ESOP 2015 as described above, there are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.
19. 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.
20. Except for any exercise of options vested pursuant to ESOP 2010, our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares, whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use of Equity Shares as consideration for acquisitions or participations in such joint ventures.
21. Except for 19,139,675 CCPS, which will be converted into 19,139,675 Equity Shares prior to the registration of the Red Herring Prospectus with the RoC in accordance with the terms of the amendment agreement dated August 5, 2015 and any option convertible into Equity Shares pursuant to ESOP 2010, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of the Draft Red

Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

22. None of the Equity Shares held by the members of our Promoter Group are pledged or otherwise encumbered. None of the Equity Shares being offered for sale through the Offer for Sale are pledged or otherwise encumbered.
23. During the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus, no financing arrangements existed whereby our Promoters, our Promoter Group, our Directors or their relatives may have financed the purchase of Equity Shares by any other person.
24. Our Promoters and members of our Promoter Group will not submit Bids or otherwise participate in this Offer, however, (Hony.) Brig. Dr. Arvind Lal, Dr. Vandana Lal and Eskay House (HUF), our Promoters, and Mr. Anjaneya Lal, a member of our Promoter Group, are offering 1,261,996 Equity Shares, 2,056,747 Equity Shares, 238,226 Equity Shares and 550,386 Equity Shares, respectively as part of the Offer for Sale.
25. This Offer is being made for at least 10% of the fully diluted post-Offer capital, pursuant to Rule 19(2)(b) of the SCRR read with Regulation 41 of the SEBI Regulations. Our Company is eligible for the Offer in accordance with Regulation 26(1) of the SEBI Regulations. Further, this Offer is being made through the Book Building Process wherein 50% of the Offer shall be available for allocation to QIBs on a proportionate basis. Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance of Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. 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 from them at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis.
26. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Such inter-se spill-over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines. Under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from any category or combination thereof.
27. The Equity Shares issued pursuant to this Offer shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.
28. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
29. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
30. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group, if any, during the period between the date of registering the RHP with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.

OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and for the Offer for Sale of up to 11,600,000 Equity Shares. For further details, see the section titled “*The Offer*” on page 58.

Our Company expects that listing of the Equity Shares will enhance our visibility and brand and provide liquidity to its existing shareholders and holders of options granted by our Company. Listing will also provide a public market for the Equity Shares in India. Our Company will not receive any proceeds from the Offer. All proceeds from the Offer will go to the Promoter Selling Shareholders and the Investor Selling Shareholders, in proportion to the Equity Shares offered by the respective Promoter Selling Shareholder and the respective Investor Selling Shareholder in the Offer for Sale.

Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer include, among others, underwriting and lead management fees, selling commissions, SCSBs’ commissions/ fees, printing and distribution expenses, legal fees, Offer related advertisements and publicity, registrar and depository fees and listing fees.

Other than, listing fees, which will be paid by the Company, all costs, fees and expenses with respect to the Offer will be shared between the Selling Shareholders, in proportion to their respective proportion of the Offered Shares, upon successful completion of the Offer. Upon the successful completion of the Offer, each of the Selling Shareholders agree that they shall severally and not jointly reimburse the Company, on a pro-rata basis, in proportion to their respective proportion of the Offered Shares, for any expenses incurred by the Company on behalf of such Selling Shareholder.

The estimated Offer expenses are as under:

S. No.	Activity Expense	Estimated amount* (₹ in million)	Percentage of Total Estimated Offer Expenses*	Percentage of Offer Size*
1.	Fees of the BRLMs, underwriting commission, brokerage and selling commission (including commissions to SCSBs for ASBA Applications) and Commission payable to Registered Brokers	[●]	[●]	[●]
2.	Processing fee to the SCSBs for processing Bid cum Application Forms procured by Syndicate/Sub Syndicate and submitted to SCSBs or procured by Registered Brokers	[●]	[●]	[●]
3.	Fees to the Escrow Collection Banks/ Bankers to the Offer and Refund Banks.	[●]	[●]	[●]
4.	Offer related advertisements and marketing expenses, printing and stationery, distribution, postage etc.	[●]	[●]	[●]
5.	Fees to the Registrar to the Offer	[●]	[●]	[●]
6.	Listing fees and other regulatory expenses	[●]	[●]	[●]
7.	Other expenses (legal advisors and other advisors etc.)	[●]	[●]	[●]
	Total Estimated Offer Expenses	[●]	[●]	[●]

* To be incorporated in the Prospectus after finalisation of the Offer Price

Monitoring of Utilization of Funds

As 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 OFFER PRICE

The Company, the Promoter Selling Shareholders and Investor Selling Shareholders specifically undertake that the Offer Price will be determined by our Company, the Promoter Selling Shareholders and Investor Selling Shareholders, in consultation with the Book Running Lead Managers on the basis of an assessment of market demand for the offered Equity Shares by the book building process and on the basis of the following qualitative and quantitative factors. The face value of our Equity Shares is ₹ 10 each and the Offer Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

We believe that we have the following competitive strengths:

- Business model focused on the patient as a customer and an established consumer healthcare brand associated with quality services, in a market where patients generally choose their diagnostic healthcare service provider.
- Well-positioned to leverage upon one of the fastest-growing segments of the Indian healthcare industry.
- A network whose growth yields greater economies of scale, combined with a “hub and spoke” model that is scalable for further growth.
- Centralized information technology platform that fully integrates our network and is scalable.
- Attractive financial performance, financial profile and return on invested capital.
- Experienced leadership team with strong industry expertise and successful track record.

For a detailed discussion on the qualitative factors, which form the basis for computing the Offer Price, see the sections titled “*Our Business*” and “*Risk Factors*” on pages 134 and 15, respectively.

Quantitative Factors

Some of the information presented in this section relating to our Company is based on our restated financial statements for the Fiscal Year 2015, 2014 and 2013, prepared in accordance with the Companies Act, 2013, and restated in accordance with the SEBI Regulations. For details, see the section titled “*Financial Statements*” on page 196.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings per Equity Share (“EPS”) of our Company (in ₹)

As per our restated consolidated financial statements:

For the year ended*	Basic EPS [#] (consolidated)	Weight	Diluted EPS [#] (consolidated)	Weight
March 31, 2015	16.67	3	11.57	3
March 31, 2014	14.33	2	9.82	2
March 31, 2013	9.81	1	6.85	1
Weighted average	14.75		10.20	

As per our restated unconsolidated financial statements:

For the year ended*	Basic EPS [#] (unconsolidated)	Weight	Diluted EPS [#] (unconsolidated)	Weight
March 31, 2015	15.37	3	10.71	3
March 31, 2014	13.16	2	9.05	2
March 31, 2013	8.55	1	6.02	1
Weighted Average	13.49		9.38	

Notes:

1. Weighted average number of Equity Shares are the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

2. Earnings per Share is calculated in accordance with Accounting Standard 20 'Earnings Per Share', notified accounting standard by Companies (Accounting Standards) Rules, 2006 (as amended)."

EPS adjusted for bonus issue of shares during the year ended March 31, 2014 and sub-division of 1 share of ₹100 each into 10 shares of ₹10 each during the year ended March 31, 2015.

2. Return on Net Worth ("RONW") (%)

As per our restated financial statements:

For the year ended	RONW (consolidated)	RONW (unconsolidated)	Weight
March 31, 2015	27.85%	27.56%	3
March 31, 2014	34.67%	34.27%	2
March 31, 2013	34.34%	32.19%	1
Weighted Average	31.21%	30.57%	

Note: Return of net worth has been computed as Net profit after tax divided by the Networth for equity and preference shareholders for the respective years. Net worth is the sum of equity and preference share capital and reserves and surplus at the end of the year. The reserves and surplus used for calculating the net worth for equity and preference shareholders includes securities premium, share buy back reserve, general reserve and surplus in the statement of profit and loss.

There will be no change in the net worth post-Offer as the Offer is by way of Offer for Sale by the Promoter Selling Shareholders and Investor Selling Shareholders.

3. Net Asset Value ("NAV") for the Company (₹)

For the year ended	NAV (consolidated)	NAV (unconsolidated)	Weight
March 31, 2015	57.56	53.56	3
March 31, 2014	38.16	35.24	2
March 31, 2013	29.88	27.98	1
Weighted average	46.48	43.19	

Offer Price: ₹ [●] per Equity Share.

There will be no change in the NAV post-Offer as the Offer is by way of Offer for Sale by the Promoter Selling Shareholders and Investor Selling Shareholders.

Note: NAV is calculated by dividing the net worth for equity (excluding preference share capital) at the end of the year by the total number of Equity Shares outstanding at the end of the year after taking effect of bonus issue during the year ended March 31, 2014 and effect of subdivision of one share of ₹100 each into 10 shares of ₹10 each during the year ended March 31, 2015.

4. Price/Earning (P/E) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share of ₹ 10 each:

a. P/E based on basic EPS for the year ended March 31, 2015.

Particulars	PE (standalone)		PE (consolidated)	
	At the Floor Price	At the Cap Price	At the Floor Price	At the Cap Price
P/E based on basic EPS	[●]	[●]	[●]	[●]
P/E based on weighted average basic EPS	[●]	[●]	[●]	[●]

b. P/E based on diluted EPS for the year ended March 31, 2015.

Particulars	PE (standalone)		PE (Consolidated)	
	At the Floor Price	At the Cap Price	At the Floor Price	At the Cap Price
P/E based on Diluted EPS	[●]	[●]	[●]	[●]
P/E based on weighted average Diluted EPS	[●]	[●]	[●]	[●]

Peer Group P/E: We believe that none of the listed companies in India are engaged in our line of business.

5. Comparison with Industry Peers

We believe that none of the listed companies in India are engaged in our line of business.

The Company, the Promoter Selling Shareholders and Investor Selling Shareholders specifically confirm that the Offer Price of ₹ [●] has been determined by our Company, the Promoter Selling Shareholders and Investor Selling Shareholders, in consultation with the BRLMs on the basis of the market demand from investors for the Equity Shares through the Book-Building Process and is justified in view of above qualitative and quantitative parameters.

For further details, please see the section “*Risk Factors*” on page 15 and the “*Financial Statements*” on page 196 to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the section “*Risk Factors*” on page 15 and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

August 28, 2015

To
The Board of Directors
Dr. Lal PathLabs Limited
12th Floor, Tower-B, SAS Tower,
Medicity, Sector-38, Gurgaon-122001, Haryana
India

Dear Sirs,

We hereby confirm that the enclosed annexure, prepared by Dr. Lal PathLabs Limited ('the Company') states the possible tax benefits available to the Company and the shareholders of the Company under the Income – tax Act, 1961 ('Act'), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfill.

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 issue.

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.

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/would be met with.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Anil Gupta

Partner

Membership No.: 87921

Place: Gurgaon

Date: August 28, 2015

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO XXX 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. Since the tax benefit statement has been issued subsequent to the Finance Act 2015, the amendments have also been provided.

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.

2. General tax benefits

(a) Business income

- ❖ The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act.
- ❖ As per provisions of Section 72 of the Act, business losses, if any, for an assessment year can be carried forward and set off against business profits for 8 subsequent assessment years. However, only such losses which have been determined in pursuance of return filed in accordance with Section 139(1) of the Act shall be carried forward and set off under Section 72 of the Act.
- ❖ As per provisions of Section 79 of the Act, the carry forward and set off of business losses of a listed company would not be impacted on a change in shareholding pattern of the Company.
- ❖ Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act.

(b) MAT credit

- ❖ As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax ('MAT') paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years.
- ❖ MAT credit shall be allowed for any assessment year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid under Section 115JB for that assessment year. Such MAT credit is available for set-off up to 10 years succeeding the assessment year in which the MAT credit arises.

(c) Capital gains

(i) Computation of capital gains

- ❖ Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under Section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer

of which are termed as long – term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.

- ❖ Short Term Capital Gains ('STCG') means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.
- ❖ In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less.
- ❖ Finance Act, 2014 has amended Section 2(42A) of the Act whereby capital assets, being security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of equity oriented fund or a zero coupon bond, held by an assessee for not more than twelve months are considered to be short – term capital asset. In respect of any other capital assets, the holding period should not exceed thirty – six months to be considered as short– term capital assets. This amendment is applicable on and after July 10, 2014.
- ❖ Therefore, capital asset being unlisted share or unit of mutual fund (other than an equity oriented mutual fund) shall be short-term capital asset if it is held for not more than thirty-six months.
- ❖ LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of business trust as defined in Section 2(13A), is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.
- ❖ Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
- ❖ As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- ❖ As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee. However, Finance Act, 2014 has amended the provisions of Section 112 allowing the concessional rate of tax of ten per cent on long term capital gain to listed securities (other than unit) and zero coupon bonds. This amendment is applicable on and after July 10, 2014.
- ❖ As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.

- ❖ STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined) which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of a business trust, where such transaction is not chargeable to STT is taxable at the rate of 30%.
- ❖ The tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income of a domestic company exceeds Rs 10,000,000 but not Rs. 100,000,000. The surcharge shall be payable at the rate of 10% where the taxable income of a domestic company exceeds Rs 100,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers. The Finance Act 2015 has amended the tax rates mentioned above so as to be increased by surcharge, payable at the rate of 7% where the taxable income of a domestic company exceeds Rs 10,000,000 but not Rs. 100,000,000. The surcharge shall be payable at the rate of 12% where the taxable income of a domestic company exceeds Rs 100,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers. However, the proposed amendment shall be applicable during financial year 2015-16.
- ❖ As per Section 50 of the Act, where a capital asset is forming part of a block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner:
 - where full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value of block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.
 - where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains/ (losses) and taxed accordingly.
- ❖ As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- ❖ As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

(ii) Exemption of capital gains from income – tax

- ❖ Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by –:

- National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
 - Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.
- ❖ Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year and subsequent financial year.
 - ❖ Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted shall be taxable as capital gains in the year of transfer / conversion.
 - ❖ The characterization of the gain / losses, arising from sale / transfer of shares / units as business income or capital gains would depend on the nature of holding and various other factors.

(d) Securities Transaction Tax ('STT')

- ❖ As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

(e) Dividends

- ❖ As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax.

The domestic company distributing dividends will be liable to pay dividend distribution tax at the rate of 15% on net basis on the amount of dividend payable till September 30, 2014 (plus a surcharge of 10% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon). The Finance Act 2015 has increased rate of surcharge to 12%.

- ❖ Further w.e.f October 1, 2014, Finance Act 2014, has amended Section 115-O in order to provide that for the purpose of determining the tax on distributed profits payable in accordance with the Section 115-O, any amount which is declared, distributed or paid by any domestic Company out of current or accumulated profit on or after 1 April 2003 is to be reduced by any amount of dividend as received by the company from its subsidiary or from foreign companies during the financial year, shall be increased to such amount as would, after reduction of the tax on such increased amount at the rate of 15%, be equal to the net distributed profits.
- ❖ Therefore, the amount of distributable income and the dividends which are actually received by the unit holder of mutual fund or shareholders of the domestic company need to be grossed up for the purpose of computing the additional tax.
- ❖ Further, if the company being a holding company, has received any dividend from its subsidiary on which dividend distribution tax has been paid by such subsidiary, then company

will not be required to pay dividend distribution tax to the extent the same has been paid by such subsidiary company.

As per provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) is exempt from tax.

- ❖ However, in view of the provisions of Section 14A of the Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.
- ❖ Also, section 94(7) of the Act provides that losses arising from the sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.
- ❖ As per the provisions of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess) upto March 31, 2014. As per Finance Act, 2014, the benefit of lower rate of 15% is extended without limiting it to a particular assessment year.
- ❖ For removing the cascading effect of dividend distribution tax, while computing the amount of dividend distribution tax payable by a Domestic Company, the dividend received from a foreign subsidiary on which income-tax has been paid by the Domestic Company under Section 115BBD of the Act shall be reduced.

(f) Buy-back of shares

- ❖ As per Section 115QA of the Act, an Indian unlisted company will have to pay 20% tax on 'distributed income' on buy-back of shares. Distributed income has been defined to mean consideration paid by the Indian unlisted company for purchase of its own shares as reduced by the amount which was received by the Indian unlisted company at the time of issue of such shares. The said provision has come into effect from June 1, 2013.

(g) As per the provisions of Section 35DD of the Act, for any expenditure incurred wholly and exclusively for the purposes of amalgamation or demerger, the Company is eligible for deduction of an amount equal to one-fifth of such expenditure for each of the five successive years beginning with the year in which amalgamation or demerger takes place.

(h) As per the provisions of Section 35(1)(ii) of the Act, the Company will be entitled to claim contribution made to approved institution engaged in carrying eligible project or research as deduction from the business income.

(i) Other Provisions

- ❖ As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfillment of the conditions specified in that section.
- ❖ A deduction amounting to 100% of any sum contributed (otherwise by way of cash) to any political party or an electoral trust is allowable under section 80GGB of the Act while computing total income.

As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

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.

2. General tax benefits

(a) Dividends exempt under Section 10(34) of the Act

- ❖ As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the resident members / shareholders from a Domestic Company is exempt from tax.
- ❖ Also, section 94(7) of the Act provides that losses arising from the sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

(b) Capital gains

(i) Computation of capital gains

- ❖ Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under Section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.
- ❖ STCG means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.
- ❖ In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.
- ❖ Finance Act, 2014 has amended Section 2(42A) of the Act whereby capital assets, being security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of equity oriented fund or a zero coupon bond, held by an assessee for not more than twelve months are considered to be short – term capital asset. In respect of any other capital assets, the holding period should not exceed thirty – six months to be considered as short– term capital assets. This amendment is applicable on and after July 10, 2014.
- ❖ Therefore, capital asset being unlisted share or unit of mutual fund (other than an equity oriented mutual fund) shall be short-term capital asset if it is held for not more than thirty-six months.

- ❖ LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of business trust is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.
- ❖ The Finance Act 2012 has amended the chapter of Securities Transaction Tax [Chapter VII of Finance Act (No 2) of 2004]. As per the amendment, sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the said Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act.
- ❖ As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- ❖ As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
- ❖ As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) or unit of a business trust, are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- ❖ STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30% in case of domestic company and at normal slab rates in case of other assesseees.
- ❖ The Finance Act 2013 has inserted clause 34A in Section 10 which provided that any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders.
- ❖ In the case of domestic companies, the tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income of a domestic company exceeds Rs 10,00,000. As per Finance Act 2013 surcharge shall be payable at the rate of 10% where the taxable income of a domestic company exceeds Rs 100,00,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers. As per Finance Act 2015, surcharge shall be payable at the rate of 7% where the taxable income of a domestic company is within Rs. 10,00,000 to Rs. 100,00,000; and at the rate of 12% where the taxable income of a domestic

company exceeds Rs 100,000,000. However the proposed amendment shall be applicable during Financial year 2015-16.

- ❖ As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- ❖ As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

(ii) Exemption of capital gains arising from income – tax

- ❖ As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein:
- ❖ Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year and subsequent financial years.
- ❖ Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- ❖ In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF').
- ❖ As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.
- ❖ As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'. However, the said section is not applicable in case the shares and securities are received under instances specified under the proviso thereon.

(c) Other Provisions

- ❖ As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- ❖ The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

C. Benefits to the Non-resident shareholders of the Company under the Act (other than Mutual Funds, FIIs and Foreign Venture Capital Investors)

(a) Dividends exempt under Section 10(34) of the Act

- ❖ As per provisions of Section 10(34), dividend (both interim and final), if any, received by non-resident shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge of 5% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend. The Finance Act 2015 has increased the rate of surcharge to 12%. However, the same shall be applicable during Financial year 2015-16.
- ❖ Also, section 94(7) of the Act provides that losses arising from the sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

(b) Capital gains

(i) Computation of capital gains

- ❖ Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under Section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.
- ❖ STCG means capital gain arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.
- ❖ In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.
- ❖ Finance Act, 2014 has amended Section 2(42A) of the Act whereby capital assets, being security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of equity oriented fund or a zero coupon bond, held by an assessee for not more than twelve months are considered to be short – term capital asset. In respect of any other capital assets, the holding period should not exceed thirty – six months to be considered as short– term capital assets. This amendment is applicable on and after 10th July, 2014.
- ❖ Therefore, capital asset being unlisted share or unit of mutual fund (other than an equity oriented mutual fund) shall be short-term capital asset if it is held for not more than thirty-six months.
- ❖ LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of business trust is exempt from tax as per

provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.

- ❖ The Finance Act 2012 has amended the chapter of Securities Transaction Tax [Chapter VII of Finance Act (No 2) of 2004]. As per the amendment, sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the said Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act.
- ❖ As per provisions of Section 112 of the Act, LTCG arising on transfer of listed securities not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. The indexation benefits are however not available in case the shares are acquired in foreign currency. In such a case, the capital gains shall be computed in the manner prescribed under the first proviso to Section 48. As per first proviso to Section 48 of the Act, where the shares have been purchased in foreign currency by a non-resident, the capital gains arising on its transfer need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. If the tax payable on transfer of listed securities exceeds 10% of the LTCG, the excess tax shall be ignored for the purpose of computing tax payable by the assessee.
- ❖ Further, LTCG arising from transfer of unlisted securities (other than by way of offer for sale under an initial public offer) is chargeable to tax at 10% without indexation and foreign exchange fluctuation benefits.
- ❖ As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) or a unit of business trust, are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- ❖ As per Finance Act, 2015, income from transfer of securities arising to the foreign company shall be excluded from the chargeability of MAT if tax payable on such income is less than 18.5%. The same is applicable with effect from 1st April 2016.
- ❖ STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the normal rates of taxation as applicable to the taxpayer.
- ❖ As per Section 10(34A), any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders.
- ❖ The tax rates mentioned above stands increased by surcharge, payable at the rate of 2% where the taxable income of a foreign company exceeds Rs 10,000,000. As per the Finance Act 2013 the levy of surcharge as follows:

- ❖ In case of a foreign company whose total taxable income exceeds Rs 100,000,000 the rate of surcharge shall increase from 2% to 5%
- ❖ In case of other non-residents, whose total taxable income exceeds Rs 10,000,000 surcharge shall be payable at the rate of 10% of income tax payable. The Finance Act 2015 has increased the rate of surcharge to 12%. It may be noted that the proposed amendment shall be applicable during Financial year 2015-16.
- ❖ Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers.
- ❖ As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- ❖ As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

(ii) Exemption of capital gains arising from income – tax

- ❖ As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein:
- ❖ Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year and the subsequent financial year.
- ❖ Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- ❖ As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- ❖ The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
- ❖ In addition to the same, some benefits are also available to a non-resident shareholder being an individual or HUF.
- ❖ As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a one new residential house in India, or for construction of one residential house in India within three years from the date of transfer and subject to conditions and to the extent specified therein.

- ❖ As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'. However, the said section is not applicable in case the shares and securities are received under instances specified under the proviso thereon.

(c) Tax Treaty benefits

- ❖ As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid tax residency certificate. Additionally the non-resident tax payer is required to provide such other documents and information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013. However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

(d) Taxation of Non-resident Indians

- ❖ Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:
- ❖ NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- ❖ Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.
- ❖ As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets as duly mentioned in Section 115C(f) of the Act is taxable at the rate of 10% (plus education cess and secondary & higher education cess of 2% and 1% respectively). Further as per the Finance Act 2013 a surcharge of 10% is applicable in case income of the NRI exceeds Rs 10,000,000. As per the Finance Act 2015, the surcharge rate shall be increased to 12% where income of the NRI exceeds Rs 10,000,000. It may be noted that the proposed amendment shall be applicable during Financial year 2015-16.
- ❖ As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets under Section 115C(f)) arising to a NRI is taxable at the rate of 20% (education cess and secondary & higher education cess of 2% and 1% respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act. Further as per the Finance Act 2013, a surcharge of 10% is applicable in case income of the NRI exceeds Rs 10,000,000. As per the Finance Act 2015, the surcharge rate shall be increased to 12% where income of the NRI exceeds Rs 10,000,000. It may be noted that the proposed amendment shall be applicable during Financial year 2015-16.
- ❖ As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section. If only part of the net

consideration is so reinvested, the exemption will be proportionately reduced. However the amount so exempted will be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

- ❖ As per provisions of Section 115G of the Act, where the total income of a NRI consists only of income / LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.
- ❖ As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- ❖ As per provisions of Section 115I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.
- ❖ As per the Section 10(34A), any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders with effect from 1 April 2014.

D. Benefits available to Foreign Institutional Investors ('FIIs') under the Act

(a) Dividends exempt under Section 10(34) of the Act

- ❖ As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company is exempt from tax.
- ❖ However, in view of the provisions of Section 14A of the Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.
- ❖ Also, section 94(7) of the Act provides that losses arising from the sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

(b) Long – term capital gains exempt under Section 10(38) of the Act

- ❖ LTCG arising on sale equity shares of a company subjected to STT is exempt from tax as per provisions of Section 10(38) of the Act. It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

(c) Capital gains

- ❖ As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act. Finance Act, 2014 has inserted a provision that the amount of income tax calculated on the income by way of interest referred in Section 194LD shall be at the rate of five percent. The said provision was made applicable in case of interest payable at any time on or after 1 June 2013 but before 1 June 2015 to FIIs and QFIIs on their investments in Government securities and rupee denominated corporate bonds provided that the rate of interest does not exceed the rate notified by the Central Government in this regard. Finance Act, 2015 has amended Section 194LD to provide that the concessional rate of 5% withholding tax on interest payment under the section will now be available on interest payable up before 1st July 2017.
- ❖ As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows:

Nature of income	Rate of tax (%)
LTCG on sale of equity shares not subjected to STT	10
STCG on sale of equity shares subjected to STT	15
STCG on sale of equity shares not subjected to STT	30

- ❖ For corporate FIIs, the tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income exceeds Rs 10,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of FIIs. The Finance Act 2015 has amended the rate of surcharge to 12%. It may be noted that the proposed amendment shall be applicable during Financial year 2015-16.
- ❖ Further, vide Finance Act (No.2), 2014 it was provided that any securities held by a Foreign Institutional Investor which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 would be capital asset. Consequently, the income arising to a Foreign Institutional Investor from transactions in securities would always be in the nature of capital gains. The Finance Act 2015 has further amended the provisions of Section 115JB so as to insert a new clause (iid) in Explanation 1 to provide that the amount of income from transactions in securities, if such income is credited in the Profit and loss account and the income tax payable thereon in accordance with the Provisions of the Act, other than the Provisions in chapter XII-B (Special Provisions relating to certain Companies) is at a rate less than eighteen and a half percentage, shall be reduced from the book profit for the purposes of calculation of income-tax payable under the section. Further by inserting a new clause (fb) in Explanation 1, the book profit shall be increased by the amount or amounts of expenditure relatable to the above income. These amendments will take effect from 1st April, 2016.
- ❖ As per Section 196D(2) of the Act, no deduction of tax at source will be made in respect of income by way capital gain arising from the transfer of securities referred to in section 115AD.
- ❖ The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.

- ❖ As per the Finance Act, 2013 any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders.

(d) Securities Transaction Tax

- ❖ As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

(e) Tax Treaty benefits

- ❖ As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid tax residency certificate. Additionally the FII is required to provide such other documents and information in the Form 10F as prescribed vide Notification 57 of 2013 dated August 1, 2013. However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.
- ❖ The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

E. Benefits available to Mutual Funds under the Act

(a) Dividend income

Dividend income, if any, received by the shareholders from the investment of mutual funds in shares of a domestic Company will be exempt from tax under Section 10(34) read with Section 115O of the Act.

- (b) As per provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, is exempt from income-tax, subject to the prescribed conditions.

F. Benefits available to Venture Capital Companies / Funds

- ❖ As per provisions of section 10(23FA) of the Act, any income by way of dividends (other than dividends referred to in section 115O) or long term capital gains of a venture capital fund or venture capital company from investment in equity shares of a venture capital undertaking (engaged in specified businesses) would be exempt from tax subject to the conditions specified.

G. Wealth Tax Act, 1957

- ❖ Wealth tax is chargeable on prescribed assets. As per provisions of Section 2(m) of the Wealth Tax Act, 1957, the Company is entitled to reduce debts owed in relation to the assets which are chargeable to wealth tax while determining the net taxable wealth.
- ❖ Shares in a company, held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence, wealth tax is not applicable on shares held in a company.
- ❖ The Finance Act 2015 has abolished Wealth Tax Act, 1957 with effect from 1 April 2016.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Unless indicated otherwise, market data, statistics and information in this section, including statements of expectation, projections and forecasts, have been extracted from the market report prepared by CRISIL Research, which is not included in this Draft Red Herring Prospectus. Neither CRISIL Research's report nor this information has been independently verified by us, the Book Running Lead Managers, or their respective legal or other advisors, and no representation is made as to the accuracy of CRISIL Research's report and this information. CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing their report based on the Information obtained by CRISIL Research from sources which it considers reliable. However, CRISIL Research does not guarantee the accuracy, adequacy or completeness of the report or the data therein and is not responsible for any errors, omissions or for the results obtained from the use of report and the data therein. CRISIL Research's report is not a recommendation to invest or disinvest in any company covered in the report. CRISIL Research especially states that it has no liability whatsoever to the subscribers, users, transmitters or distributors of their report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division or CRISIL Risk and Infrastructure Solutions Ltd, which may, in their regular operations, obtain information of a confidential nature. The views expressed in CRISIL Research's report are those of CRISIL Research and not of CRISIL's Ratings Division or CRISIL Risk and Infrastructure Solutions. No part of CRISIL Research's report may be published or reproduced in any form without CRISIL Research's prior written approval.

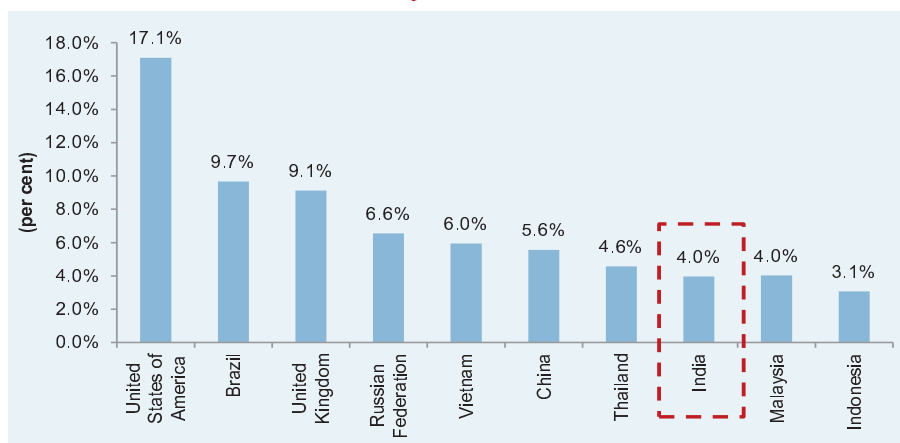
In considering industry wide trends and opportunities extracted from the report of CRISIL Research, investors should be aware that, given our particular strengths and strategies, on the one hand, and our risks, on the other, the impact on our business of such trends and opportunities may be more or less than their impact on the industry as a whole. Additional factors which should be considered in assessing the usefulness of the market and competitive data are described elsewhere in this Draft Red Herring Prospectus, including those set out in the section entitled "Risk Factors."

Healthcare Market in India

Healthcare spends in India stand at a low 4% of GDP

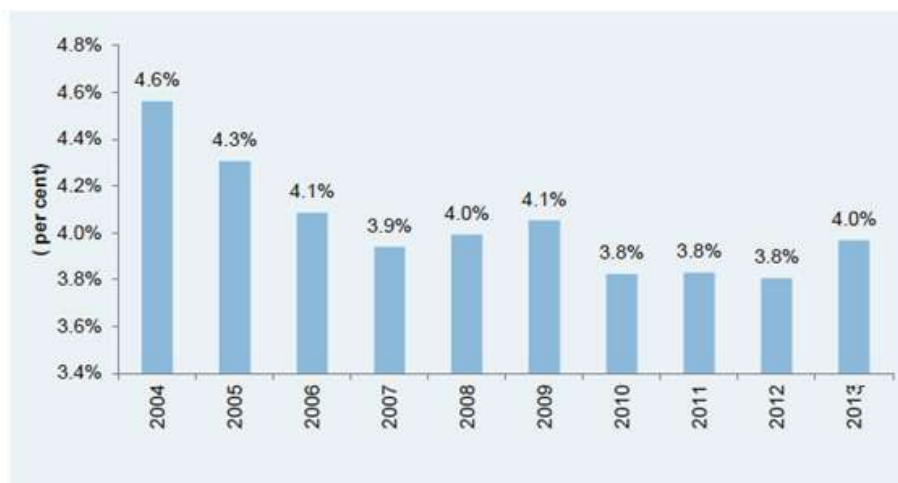
According to the Global Health Expenditure Database compiled by the World Health Organization ("WHO"), India's total expenditure on healthcare was 4% of India's gross domestic product ("GDP") as of 2013. India's nominal gross domestic product in 2013-2014 was ₹ 104.7 trillion (Nominal GDP with 2004-2005 base). Accordingly, the total healthcare expenditure in India during 2013-2014 can be estimated at around ₹ 4.2 trillion. India trails not just developed countries such as the United States and the United Kingdom, but also developing countries, such as Brazil, Russia, China and Thailand, in healthcare spending as a proportion of GDP. This is primarily due to the under-penetration of healthcare services and lower consumer spending on healthcare.

Total healthcare expenditure as % of GDP (2013)



Source: NHA Indicators- Global Health Expenditure Database- World Health Organization

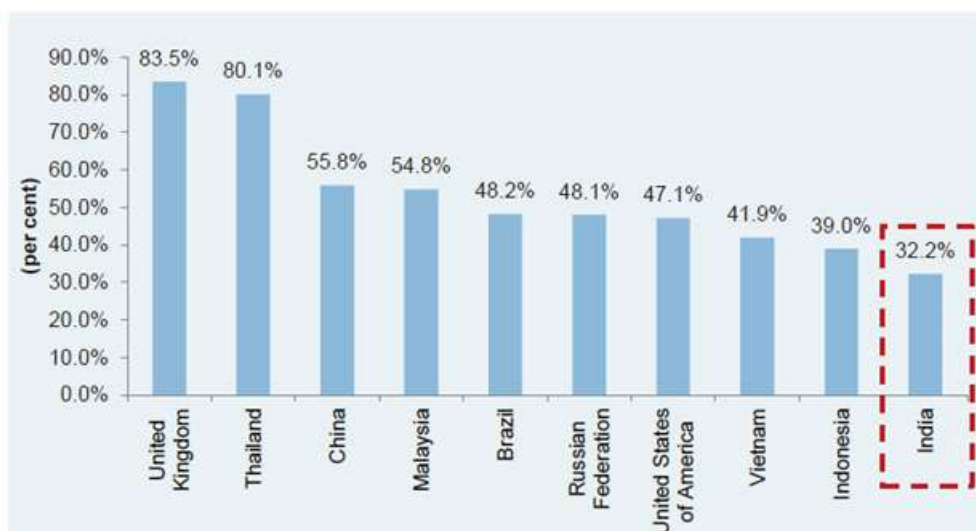
Total healthcare expenditure as % of GDP in India (2004-2013)



Source: NHA Indicators- Global Health Expenditure Database- World Health Organization

India's average healthcare expenditure from 2004 to 2013 is 4% of GDP. The total health expenditure in 2013 has improved compared to the average of 3.8% of GDP between 2010 and 2012. However, the total health expenditure is still lower than the average of 4.3% of GDP between 2004 and 2006.

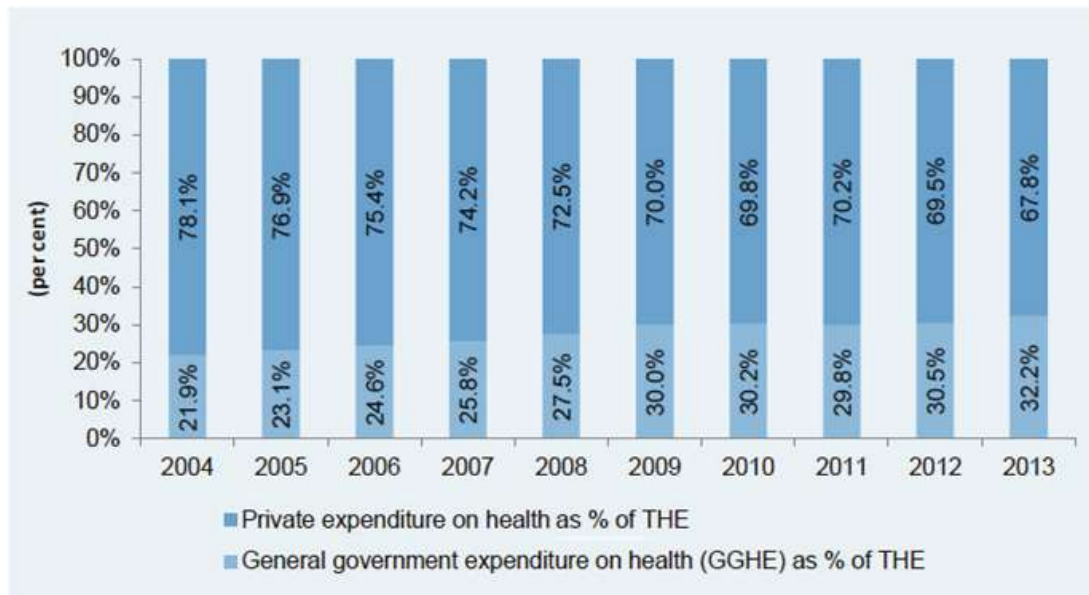
General government expenditure on health as % of total expenditure on health (2013)



Source: NHA Indicators- Global Health Expenditure Database- World Health Organization

The share of government expenditure on healthcare in India has improved from 21.9% in 2004 to 32.2% in 2013. However, India ranks lower as compared to other developing countries, like China, Brazil, Russia, Indonesia and Malaysia, on general government expenditure on health as a percentage of total expenditure on health.

Total expenditure on health in India: Private vs General government



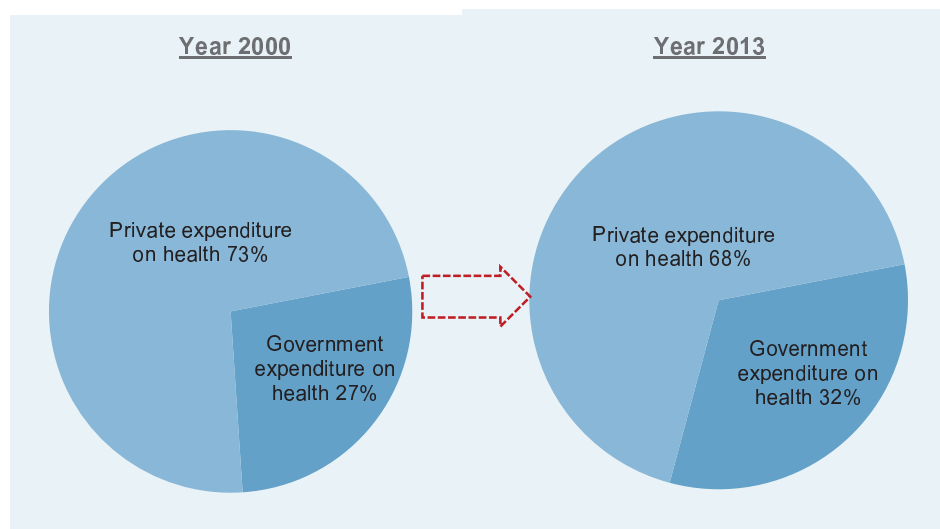
Source: NHA Indicators- Global Health Expenditure Database- World Health Organization

India's per capita total expenditure on healthcare (at the international dollar rate, adjusted for purchasing power parity) was US\$215 in 2013, versus US\$9,146 for the United States, US\$3,311 for the United Kingdom and US\$1,454 for Brazil.

Private expenditure sector accounts for bulk of healthcare spend

In 2000, government expenditure accounted for around 27% of the total healthcare expenditure in India, which increased by 5.2% to 32.2% as of 2013. The private expenditure refers to expenditure from resources with no government control, such as voluntary health insurance, and the direct payments for health by corporations (profit, non-profit and non-governmental organizations) and households.

Public expenditure on health remains low



Source: NHA Indicators- Global Health Expenditure Database- World Health Organization

Structure of healthcare market in India

The healthcare market in India broadly comprises the following:

- *Healthcare delivery market (hospitals)* – as per CRISIL Research estimates, the Indian healthcare delivery market stands at ₹ 3,800 billion as of 2014-2015.
- *Pharmaceutical industry* – as per CRISIL Research’s estimates, the Indian pharmaceutical market, which comprises the domestic demand for formulations, stands at ₹ 746 billion as of 2014-2015.
- *Diagnostics industry* – as per CRISIL Research’s estimates, the Indian diagnostics industry currently stands at ₹ 377 billion as of 2014-2015.
- *Healthcare insurance industry* – The health insurance premium market stands at ₹ 175 billion as of 2013-2014, based on the report of the Insurance Regulatory and Development Authority (“IRDA”).

Structure of healthcare market in India



Source: CRISIL Research

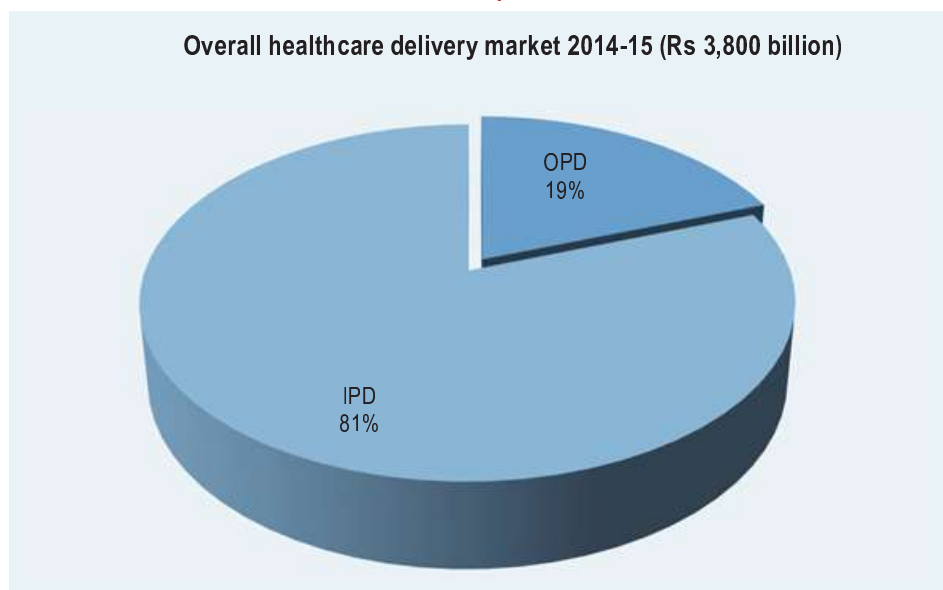
Since there exists a certain degree of overlap in terms of function and revenues among the segments, the same cannot be consolidated to arrive at the market size of the Indian healthcare market.

Healthcare delivery industry size estimated at ₹3.8 trillion in 2014-2015

Based on health indicators for India released by the WHO’s world health statistics survey, CRISIL Research estimates the size of the Indian healthcare delivery industry, in 2014-2015, at ₹ 3.8 trillion. The in-patient department (“IPD”) accounted for 81% of the healthcare delivery industry, and the out-patient department (“OPD”) accounted for the remaining 19%.

The in-patient department in a hospital generally consists of beds, operation theatre(s), intensive care unit, supportive services like nursing services, pharmaceutical services, laboratory and diagnostic centers and a central sterile and supply department (“CSSD”). CRISIL Research defines inpatients as patients who require overnight hospitalization. IPD revenues typically include room or bed rentals (including operation theatre charges), consultancy and surgery fees, diagnostic and pathology lab charges (for tests done during IPD stay) and consumables charges. CRISIL Research defines outpatients as patients who are not required to stay at the hospital overnight. OPD also includes consultancy, day surgeries and diagnostics, and excludes pharmaceuticals purchased from standalone outlets.

Overall healthcare delivery market in 2014-2015

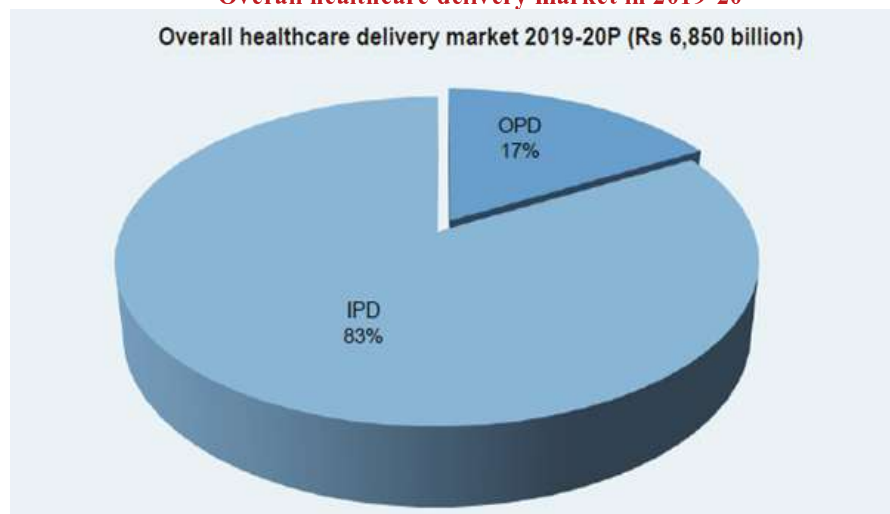


Source: CRISIL Research

Healthcare delivery industry expected to grow at 12 % over the next 5 years

CRISIL Research expects the healthcare delivery market to grow at a CAGR of 12% and reach ₹ 6.8 trillion by 2019-2020 as changes in age demographics, rising incomes, improvements in health awareness, increase in life-related ailments, rising penetration of health insurance and increasing opportunities from medical tourism will propel demand for healthcare facilities in India. CRISIL Research expects expansion plans by major private players to be skewed towards illnesses related to the IPD. Hence, the share of IPD by value is expected to increase from 81% in 2014-2015 to 83% in 2019-2020. During the same period, the average costs for IPD treatments are forecast to increase at a CAGR of nearly 8%.

Overall healthcare delivery market in 2019-20



Source: CRISIL Research

Indian diagnostics industry

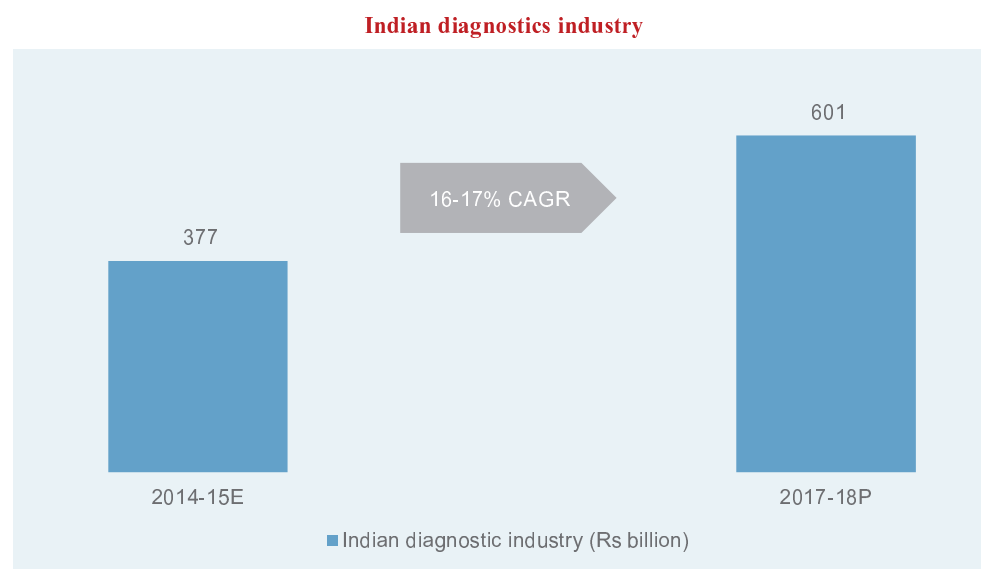
Market size

In the spectrum of healthcare delivery services in India, diagnostic services play the role of an information intermediary, providing useful information for correct diagnosis and treatment of patients' diseases. Diagnostic services would have a lower share in overall healthcare spends, yet play a vital role in identifying problem areas and major illnesses.

Major diagnostic healthcare service providers in India offer a wide range of healthcare tests and services. The industry can be classified into imaging diagnostics and pathology testing services. Pathology testing or in vitro diagnosis involves reporting diagnostic information on the basis of collected samples (in the form of blood, urine and stool, among others) and then analyzing the samples in a lab to arrive at useful clinical information. Imaging diagnostics, or radiology, involves procedures such as taking X-rays and ultrasounds, which help mark anatomical and physiological changes inside a patient's body to help doctors diagnose the disease.

The industry can also be separated into urban and rural centers. Urban centers typically have modern facilities (at public and private hospitals, clinics, standalone centers and diagnostic chains) and higher prices for tests. Rural centers – largely primary health centers, government dispensaries and private dispensaries – generally have small-scale facilities and carry out basic tests where ticket sizes are usually lower than those charged in the urban centers.

CRISIL Research estimates the size of the diagnostics industry at around ₹ 377 billion in 2014-2015. Overall market for wellness and preventive diagnostics, as per CRISIL Research's estimations, was 6-8% of the total diagnostic services market in 2014-2015. CRISIL Research expects that the diagnostics industry will continue to grow by a CAGR of 16%-17% over the next three years to over ₹ 600 billion by 2017-2018.



Note: E: Estimated; P: Projected

Source: CRISIL Research

Evidence-based treatment is slowly becoming the norm for many doctors as a correct diagnosis enables correct therapy and faster patient recoveries. Moreover, as literacy rates and disposable incomes rise, households increasingly demand better healthcare facilities and quality of care. This increase has also been boosted by the rise in urbanization and the increase in lifestyle-related diseases such as cardiac diseases, diabetes, hypertension and cancer, among others, prompting many healthcare service providers to enhance their offerings in metropolitan areas, and tier-I and tier-II cities.

Pathology business accounts for the largest share of the diagnostics industry

CRISIL Research estimates that pathology testing has the larger share of the overall domestic diagnostics market. Pathology includes biochemistry, immunology, hematology, urine analysis, molecular diagnostics and microbiology, among others, whereas imaging diagnostics, or radiology, includes, for example, ultrasound, X-ray, CT scan, MRIs and positron emission tomography – computed tomography, or PET-CT.

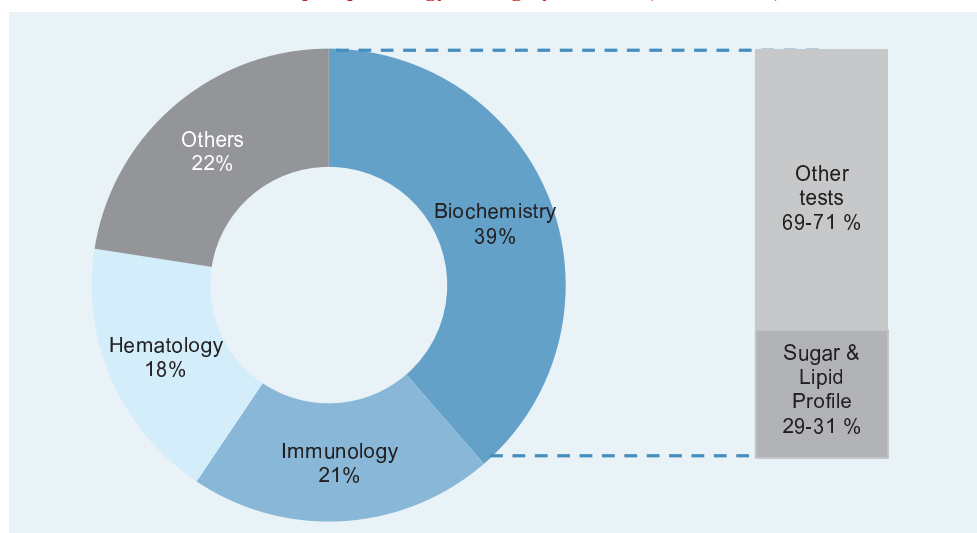
Pathology has gained prominence as the preferred line of diagnosis for the majority of diseases, with a gradual increase in the prescription of pathology tests over the past decade. While earlier, doctors would typically rely on clinical assessment in order to diagnose and treat diseases, more recently, evidence-based treatment is slowly becoming the norm as it facilitates a correct diagnosis, and consequently, correct therapy and faster patient recoveries. Additionally, factors such as rising literacy levels, increased awareness of preventive healthcare and an increase in income levels have also led to an increase in the volume of pathology tests conducted. However, the price for pathology investigation is usually lower than for imaging diagnostic tests such as MRIs, where each test may cost two to three times more than the pathology investigation. Typically, a pathology investigation requires several tests for a patient at one time. Thus, the contribution of pathology tests to the overall diagnostics market continues to be on the higher side as it is conducted more frequently.

Biochemistry tests estimated to have a larger share among pathology services

As per WHO's statistics on disability-adjusted life years ("DALYs"), the share of the disease burden has been gradually shifting to cardiovascular diseases, diabetes and cancer. Cumulatively, these three diseases comprised close to 19% of the DALYs of the Indian population in 2012, up from 14% in 2000. Consequently, biochemistry tests for blood sugar, cholesterol and triglycerides, urea and creatinine, among others, are increasingly being prescribed by doctors to identify such diseases.

Based on interactions with industry participants, CRISIL Research estimates that biochemistry was the largest segment of the overall pathology testing market as of 2014-2015.

Break-up of pathology testing by services (2014-2015E)



Note: E: Estimated; Share of pathology tests (by services) indicated above is applicable at an overall industry level. However, the distribution may vary from player to player.

Source: CRISIL Research

Immunology is the study of the diseases caused by an abnormal immune response. The diseases identified are autoimmune diseases, immunodeficiency diseases and allergies. These tests depend on measurement of the immune

system through analysis of blood serum components such as total serum antibodies (IgG, IgA, and IgM), circulating lymphocyte subsets, auto antibodies (for example, ANA, rheumatoid factor), and so on.

Hematology is the study of diseases that affect the blood. Investigations include the use of special instruments such as a coulter counter to measure the number of various blood cells, microscopic analysis of blood to ascertain the shape and size of certain blood cells to ascertain diseases, such as anemia and leukemia, and clotting and bleeding studies to ascertain diseases, such as hemophilia.

Clinical biochemistry tests ascertain the changes in the chemical composition of body fluids in response to a particular disease or condition compared to results from healthy people. For example, a raised blood sugar level in diabetes mellitus is due to lack of insulin.

Chronic diseases driving demand for specific biochemistry tests

Due to the rise in chronic diseases, such as diabetes and cardiovascular problems, doctors are prescribing more tests to identify them. For example, biochemical testing for HbA1c (glycated hemoglobin) levels in the blood helps pinpoint the risk for diabetes in patients. Similarly, tests for lipid profiles (cholesterol and triglycerides) are increasingly being prescribed for patients to identify the risk of cardiovascular diseases.

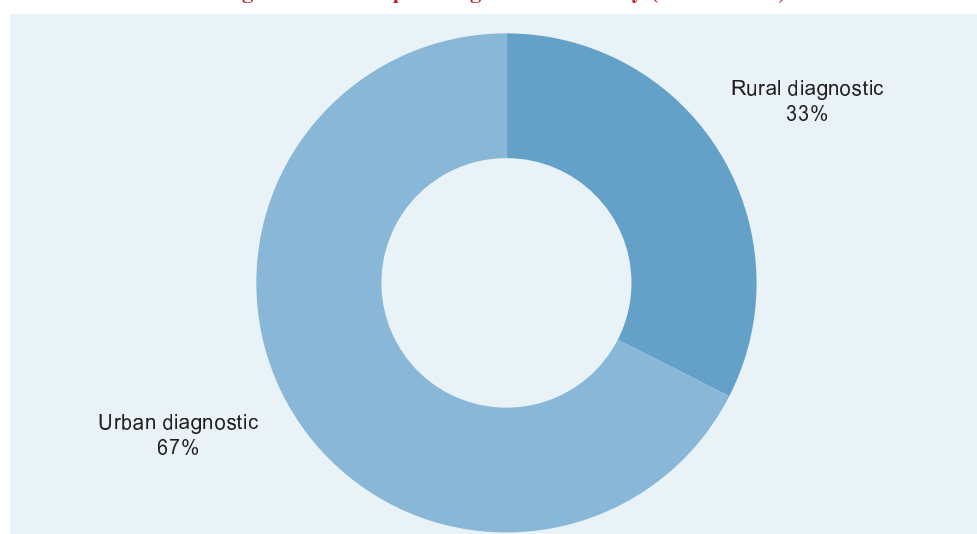
CRISIL Research believes that blood sugar and lipid profile tests have a dominant share within the biochemistry segment. In CRISIL Research's opinion, these two types of tests contributed 29%-31% of overall revenues from biochemistry testing as of 2014-2015. Going forward, CRISIL Research expects this segment to continue to grow more rapidly than tests such as urine, routine and microbiology tests, and tests for chronic diseases are expected to account for 30%-32% of overall revenues by 2017-2018.

Urban areas account for a higher proportion of revenues in diagnostics industry

According to CRISIL Research's estimates, India's urban population (approximately 28% of India's total population) contributes up to 67% of the revenues of the overall diagnostics market.

CRISIL Research defines urban areas as consisting of metropolitan areas, tier I and tier II cities, as well as smaller cities as classified by the Census:

Segment break-up of diagnostics industry (2014-2015E)



Note: E: Estimated

Source: CRISIL Research

Urban centers, especially metropolitan areas and tier-I and tier-II cities, typically have better healthcare delivery systems in the form of hospitals, clinics and diagnostic centers, among others, due to the greater penetration of the private sector in the healthcare space. Moreover, higher disposable incomes have made diagnostic tests more affordable, and increasing literacy rates have resulted in healthcare service seekers demanding and availing themselves of better facilities in urban centers.

In rural areas, basic diagnostic tests are carried out in government hospitals, small public and private dispensaries, and primary healthcare centers. If a patient requires advanced diagnostic tests, they are typically referred to their nearest urban center. Additionally, while the prices charged for the tests are lower in rural areas as compared to urban areas, in many cases the costs incurred for these tests are borne by the government.

CRISIL Research believes that towns having a population of 300,000 to 1,000,000, and are under-serviced as far as diagnostic centers are concerned, have the potential to be served in the longer term.

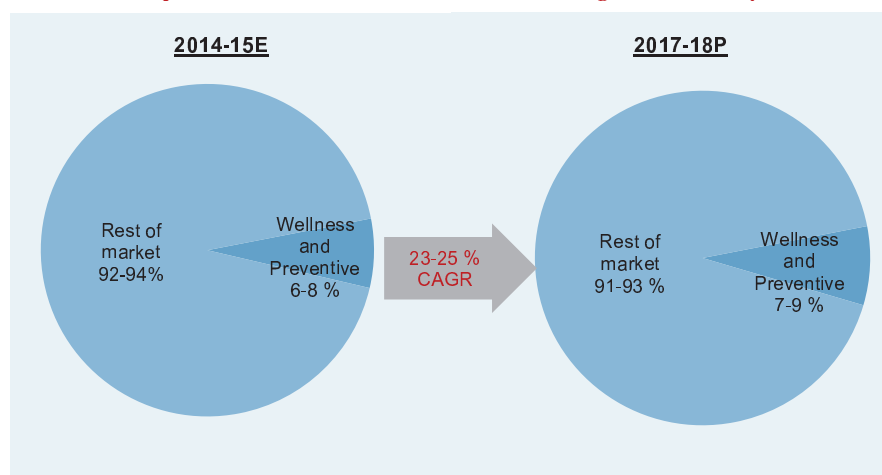
Preventive and wellness testing packages to further aid growth in biochemistry testing

Mid-sized to large diagnostic chains and hospital-based diagnostic centers are increasingly packaging and marketing their available test menu in the form of preventive and wellness test packages. These health packages help to identify pre-existing diseases or the likely risk of particular diseases before the onset of actual symptoms. This is expected to help people take corrective action before any chronic conditions take hold.

Diagnostic service providers typically drive such health check-up packages through corporate clients and also market directly through labs and collection centers. A majority of these packages either specifically screen for a chronic disease or contain a slew of tests to ascertain the overall health of a person. Moreover, a majority of these preventive and wellness tests consist of biochemistry tests to check an individual's risk of chronic diseases such as cardiovascular diseases and diabetes, among others. However, some diagnostic centers, which have both pathology and radiology services, may add basic imaging tests such as echocardiograms, X-rays and ultrasounds to the test packages.

CRISIL Research estimates that the overall market for wellness and preventive diagnostics was 6%-8% of the total diagnostic services market in 2014-2015. Rising literacy levels are expected to increase awareness of preventive and curative healthcare and, in turn, boost the demand for diagnostic services. This segment is expected to grow at a robust CAGR of 23%-25% over the next three years as diagnostic chains push for higher growth through this segment because it improves their capacity utilization. In value terms, the preventive and wellness segment of the diagnostic industry market is estimated to grow from ₹ 26.4 billion in 2014-2015 to ₹ 48 billion in 2017-2018.

Share of preventive and wellness tests in overall diagnostic industry market



Note: E: Estimated; P: Projected

Source: CRISIL Research

Demand drivers for the Indian diagnostic industry

Increase in evidence-based treatments

Doctors increasingly prescribe diagnostic tests to aid the proper diagnosis and treatment of diseases, which drives the volume of patient samples at diagnostic centers.

Huge demand-supply gap

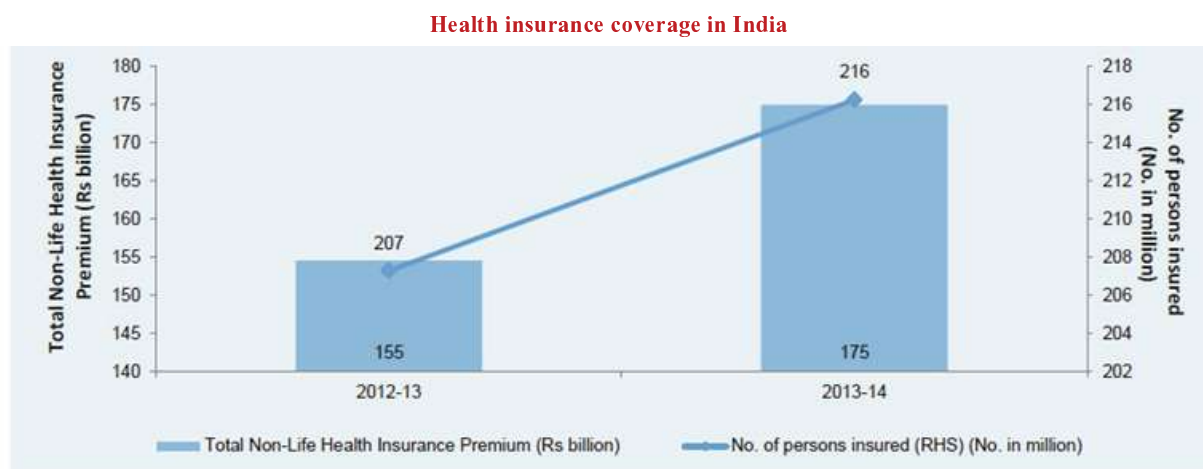
Compared to global standards, India lags far behind in terms of healthcare infrastructure. According to World Health Statistics – 2013 released by WHO, the ratio of beds to patients in India is still a meager seven beds per ten thousand people, as compared to the world median of 27 beds per ten thousand people. Given the low penetration of healthcare facilities and increasing demand, the potential for growth in the diagnostic sector is enormous.

Changing disease profiles

With rising income levels and changing lifestyles, the share of infectious diseases is decreasing, whereas the share of lifestyle diseases, such as cardiac diseases, diabetes, hypertension and cancer, is increasing, thus boosting the demand for diagnostic facilities. Rising literacy levels are expected to increase awareness of preventive and curative healthcare, and in turn, boost the demand for diagnostic services.

Increase in health insurance coverage

According to the Insurance Regulatory and Development Authority, nearly 216 million people have health insurance coverage in India (as of 2013-2014), accounting for only 17% of the total population, representing a significant opportunity for growth. The number of persons insured for non-life health insurance has increased by 4.3% during 2012-2013 and 2013-2014. Due to the increase in the penetration of health insurance coverage, hospitalization rates (the number of times an individual visits a hospital) are also likely to go up, thus increasing the demand for diagnostics tests.



Note: E: Estimated; P: Projected

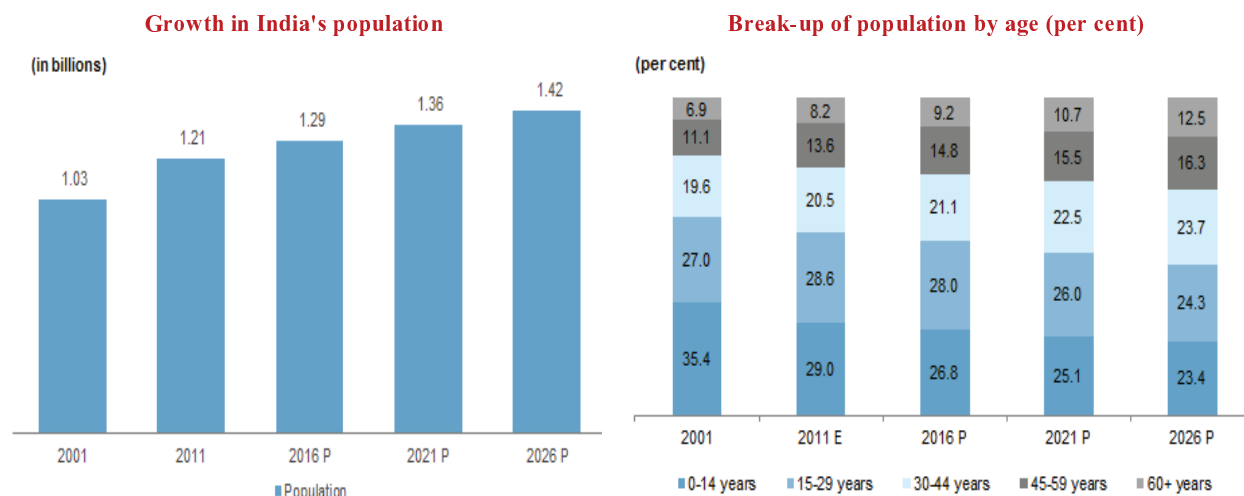
Source: Insurance Regulatory and Development Authority

Need for greater health coverage as population and life expectancy increase

India's population is expected to grow to over 1.42 billion by 2026, from around 1.21 billion in 2011. Nearly 8% of the Indian population was above the age of 60 in 2011. This proportion is expected to climb to 12.5% by 2026.

As per the 'Report on the status of elderly in select states of India, 2011' (covering Himachal Pradesh, Kerala, Maharashtra, Odisha, Punjab, West Bengal and Tamil Nadu) published by the United Nations Population Fund ("UNFPA") in November 2012, chronic ailments such as arthritis, hypertension, diabetes, asthma and heart disease

were commonplace among the elderly. Nearly 66% of the elderly reported at least one of these. In terms of gender-based tendencies, while men are more likely to suffer from heart, renal and skin diseases, women showed higher tendencies for contracting arthritis, hypertension and osteoporosis. CRISIL Research therefore believes that with more and more people being added to this age group, the demand for healthcare facilities in India will only surge in the future.

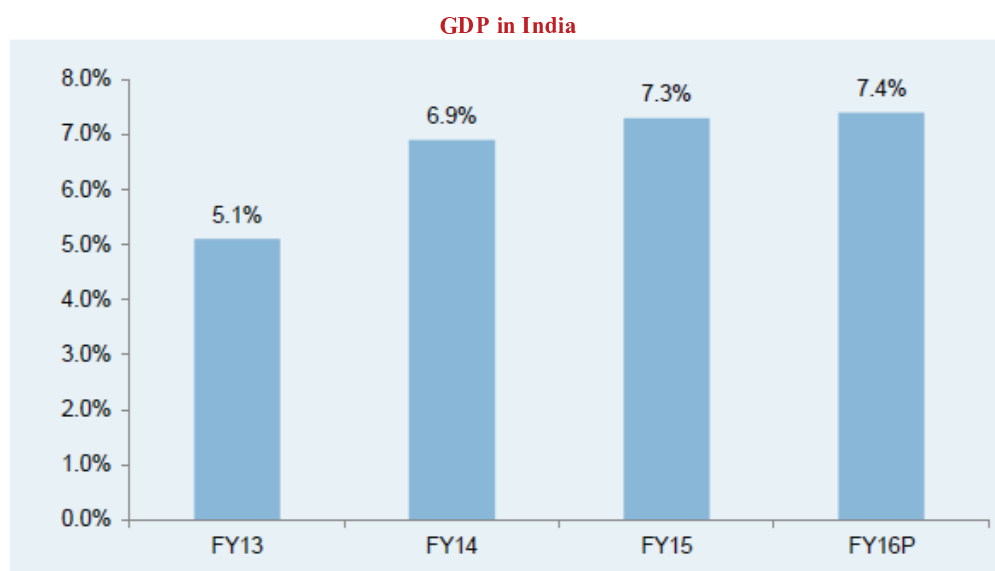


Note: P: Projected
Source: Census, CRISIL Research

Note: P: Projected
Source: Census, CRISIL Research

Rising income levels make quality healthcare services more affordable

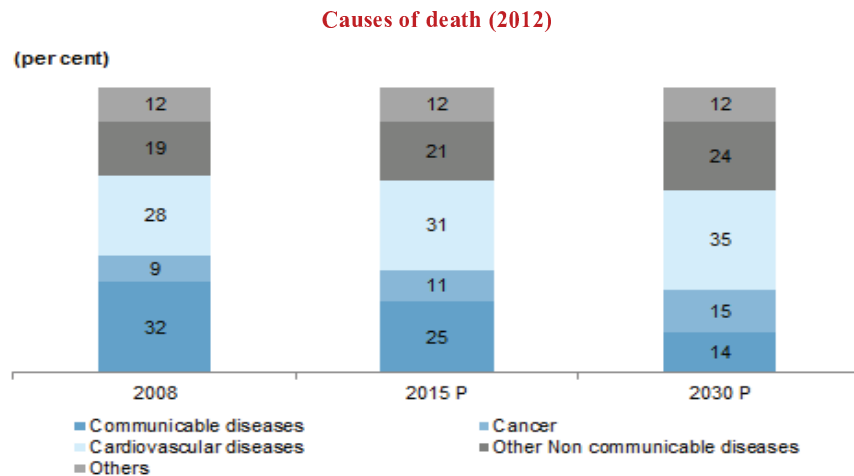
Healthcare is considered to be a non-discretionary expense and is likely to improve as income levels increase in line with the improvement in macro-economic conditions. CRISIL Research believes that India's GDP will grow at 7.4% in fiscal 2016 versus 7.3% in fiscal 2015.



Note: P: Projected
Source: CSO, CRISIL Research

Demand for lifestyle diseases-related healthcare services to grow

Lifestyle-related illnesses have been increasing rapidly in India over the last few years. Statistics show that these illnesses accounted for nearly 56% of all deaths in India in 2008. CRISIL Research believes that these illnesses exhibit a tendency to increase in tandem with rising income levels and will lead to an increase in demand for healthcare services.

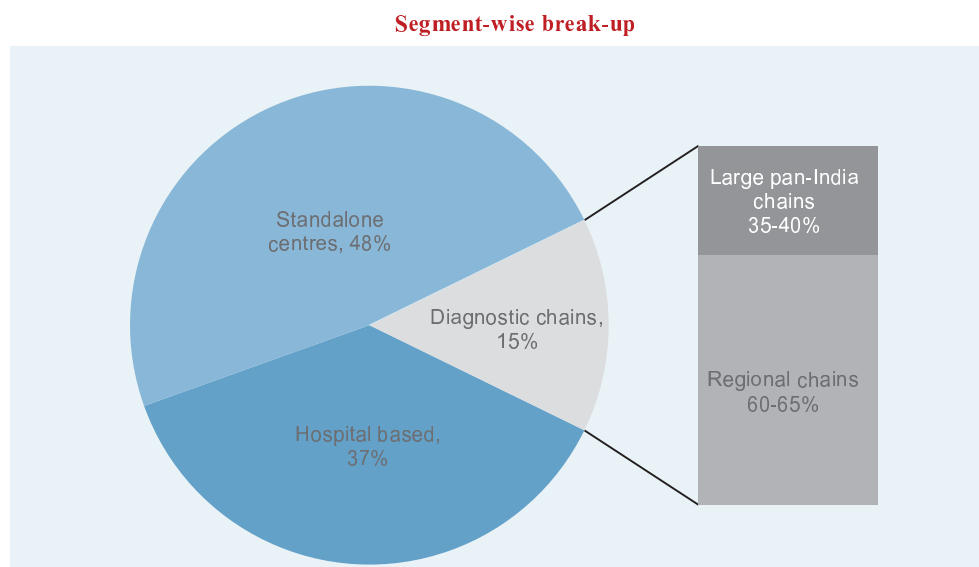


Source: WHO Global burden of disease

Business model of diagnostic centers

Diagnostic centers in India can be classified into three types:

- Hospital-based centers
- Diagnostic chains
- Standalone centers



Source: CRISIL Research

With close to 48% of market share in 2014-2015, standalone centers dominate the diagnostics industry. As large numbers of hospitals in India are unorganized, CRISIL Research has included hospital-based diagnostic labs in the unorganized diagnostics market segment (thus, hospital-based diagnostic labs and standalone centers are included in the unorganized diagnostics market segment).

Business segments:

Business segments	
Pathology	Radiology
Pathology includes examination and laboratory analysis of body fluid such as blood, urine, etc; organs or tissues to diagnose diseases.	Radiology makes use of imaging technologies such as X-ray radiography, ultrasound, computed tomography (CT) and magnetic resonance imaging (MRI) to diagnose diseases

Source: CRISIL Research

Business models

Business Models	Hospital-based	Diagnostic centers located within hospitals . Mostly owned by hospitals; are also given to third-parties to manage.
	Diagnostic chains	Privately owned diagnostic centers with two or more centers . Operate mostly through a hub-and-spoke model of collection centers
	Standalone centers	Standalone diagnostic centers with a single center . Majority have a small scale of operation and offer basic diagnostic tests.

Source: CRISIL Research

Diagnostic chains generally adopt the hub-and-spoke model to expand their networks, which helps them maximize revenues.

Standalone centers

Standalone centers make up 48% of the diagnostics industry. The absence of stringent regulations and low entry barriers has also helped small pathology labs and radiology centers proliferate across the country. These labs typically carry out basic tests, which require minimal investments and space. Standalone radiology centers typically have a conventional X-ray and an ultrasound machine.

Hospital-based diagnostic centers

Usually, secondary and tertiary hospitals run their own pathology labs and radiology centers. However, some hospitals outsource the management of their diagnostic facilities to third-party service providers. Tertiary hospitals, which may not have the equipment to conduct advanced tests, may also send the samples to other laboratories. Given that equipment for advanced tests is expensive, many tertiary hospitals find them economically unviable due to a lack of testing volumes. For example, a hospital may have a machine to test whether a patient is HIV positive or not, but to determine a virus count, the sample will have to be sent to a specialized pathology lab.

Diagnostics chains

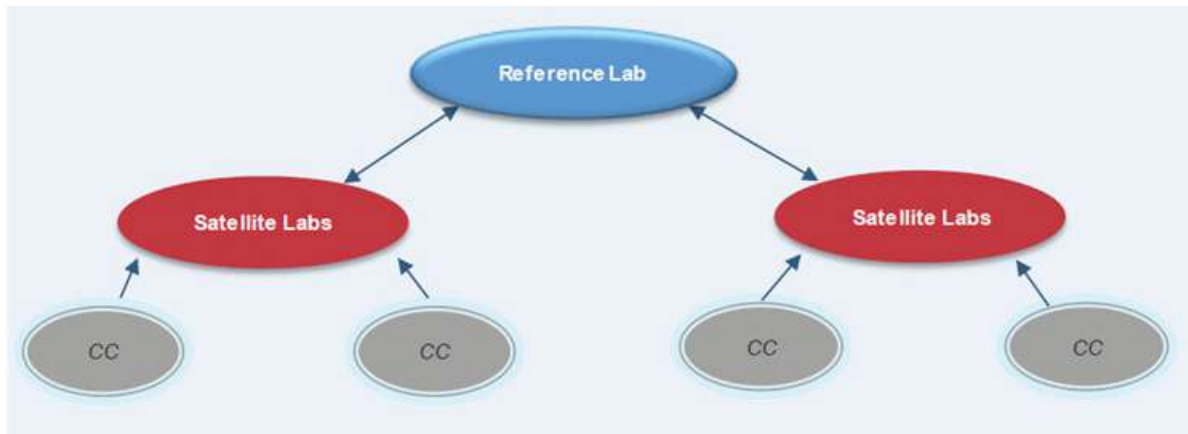
Currently, some of the major diagnostics chains in India include Thyrocare, Dr Lal PathLabs, SRL Diagnostics and Metropolis, among others. These service providers have a pan-India presence and offer pathology and/or radiology services.

Diagnostics chains adopt a hub-and-spoke model, which helps them increase their catchment area. Radiology centers for diagnostics chains are mainly present in major urban centers. They do not operate on the hub-and-spoke model, as tests are conducted within the radiology center itself.

Hub-and-spoke model of chain diagnostics centers

Different businesses adapt the hub-and-spoke model to suit their own strategy and business requirements. 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 reference lab, satellite labs and collection centers.

Hub-and-spoke model



Note: Above mentioned hierarchy represents a typical flow of samples from collection centers to reference labs. A few players may also have regional reference lab and/or national reference lab. However, the hierarchy/terminology may vary from player to player. A few industry players also refer to collection centres as Patient Service Centres.

Source: CRISIL Research

Hub-and-spoke model

Reference lab: The reference lab is located centrally, usually in a large metropolitan area, and also typically accumulates samples from satellite labs and collection centers across the country. The reference labs may be equipped to conduct both routine and specialized pathology and radiology tests. Sizes of laboratories may differ as per equipment installed and tests analyzed or services offered, and may also include a work area, front office, back office and a sample collection area.

Satellite Labs: Satellite labs offer a limited range of services. They mainly act as feeders for reference labs. 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 a satellite lab. Typically, the collection centers are mainly involved in the collection and forwarding of patient samples to a satellite or reference lab. However, the collection centers of certain chains may also be equipped to conduct some basic tests. The centers usually have basic equipment in the form of a refrigerator and a centrifuge, and employ minimal staff, such as a receptionist, lab technician, attendants and delivery staff.

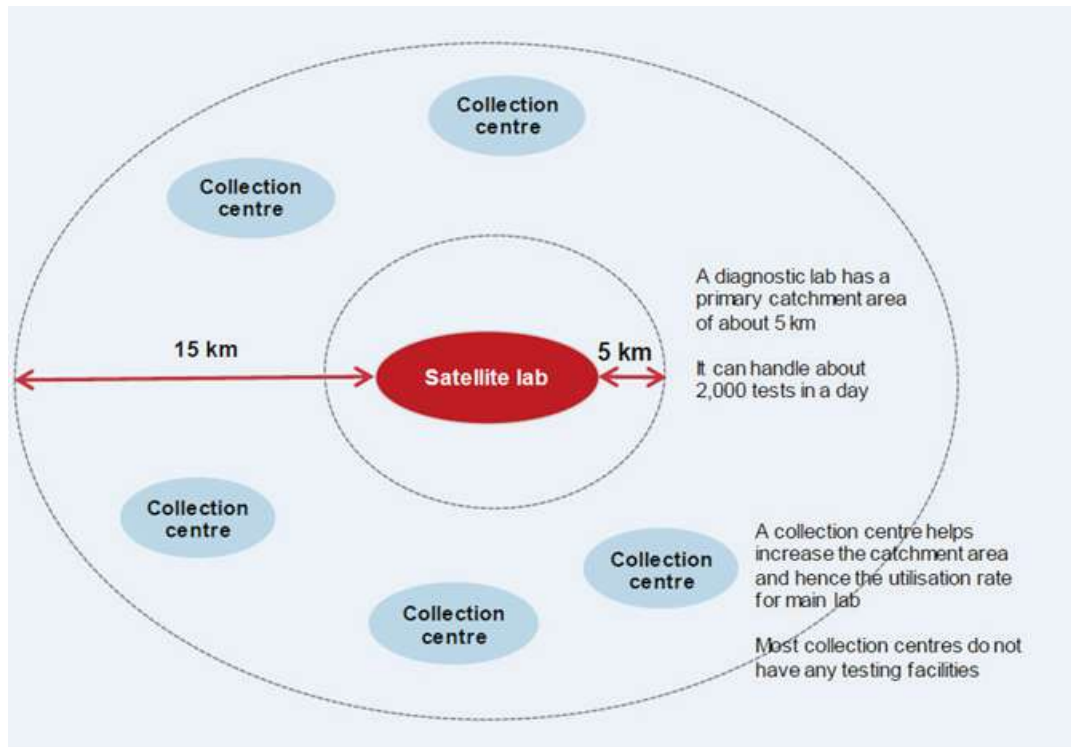
Functioning of the hub-and-spoke model

Diagnostic chains use modern logistics and information technology ("IT") systems to create a network, which is able to increase the reach of their reference labs.

Network coverage

A diagnostic chain consists of a 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 kilometer radius by itself. However, the reach of the satellite lab expands to a 15-20 kilometer radius as collection centers act as spokes (a collection center is usually able to cater to an area with a three to five kilometer radius).

Hub-and-spoke for a regional chain



Source: CRISIL Research

Functioning of logistics between collection centers and labs

Collection centers pick up samples, either directly from customers' homes or from the patients at the center itself. The samples are stored as per procedures laid down by the reference labs to maintain the samples' integrity. For example, whole blood samples are safely collected in vacuum-filled sterile tubes called 'vacutainers', appropriately labelled or barcoded, and stored at the appropriate temperature of 4-25 degrees Celsius depending on the type of test recommended.

Samples collected at collection centers are picked up by collection personnel, usually two to three times in a day. Every pick-up person from the satellite lab has a specified area of operation and usually handles five to ten centers within a four to five kilometer radius area. Samples from all collection centers of a particular area of operation are rounded up within a single staging area in the city. Then, a single delivery person takes charge of the samples and sends them to the reference lab or satellite labs with routine testing capabilities. The samples are usually transported by road on two-wheelers or other modes of transport. Sample transport usually takes from one hour to one day depending upon the distance between the area of collection and the final drop point and the turnaround time during which the sample can be kept intact.

Diagnostic centers may also opt for air logistics by flying samples collected at their collection centers in other cities. Players may also use other modes of transport such as rail and/or surface to transport samples to the satellite or reference labs. These are usually done for specialized tests that may be performed only at the reference lab or in the

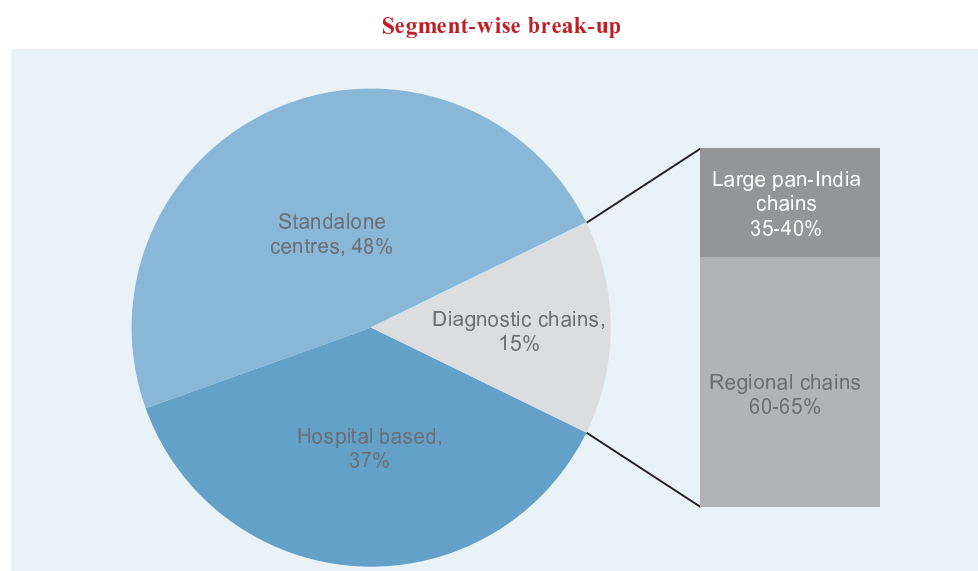
context of a hub-and-spoke model with a single reference lab and several collection centers spread across the country. Samples may be collected during the day, and then transported overnight to the reference lab. In this case, the samples may take from 12 to 24 hours to reach the reference lab. These labs then ensure faster turnaround times for sample analysis to ensure that the overall time taken from sample collection to final report generation stays competitive.

In terms of reporting test results, diagnostic labs may use both online and hard-copy formats. Apart from this, the chains also deploy sales personnel to help collection centers create tie-ups with doctors. The satellite lab is also responsible for the deployment of the sample delivery staff (who help transport samples between collection centers and labs), training of all lab technicians who are employed both at labs, as well as at all collection centers, and all branding and stationary material for the spokes.

Outlook on market size of diagnostic centers

Diagnostics industry remains highly fragmented

Standalone centers dominate the diagnostic market with a 48% share, while hospital-based labs have a 37% market share.



Source: CRISIL Research

Diagnostic chains have a 15% market share and are further split into pan-India chains and regional chains. There are a handful of pan-India chains, which together have a share of approximately 35% of the diagnostic chains market. Regional chains, whose centers are concentrated in a single city or state, constitute the rest of the market.

Intense competition in the industry

The diagnostics industry is highly competitive with the presence of standalone centers, hospital-based labs and diagnostic chains.

Hospital-based diagnostic centers are able to take advantage of a captive patient base (both in-patient and out-patient). These centers also compete with diagnostic chains by offering diagnostic packages as well as home sample collection services. Standalone centers and chains in local regions based on a strong local brand name can also offer stiff competition to diagnostic chains.

To counter such intense competition, a diagnostic chain usually opens more collection centers in an area, which enables it to cater to a larger catchment area. Moreover, with inherent cost efficiencies in their business model, the

chains are able to offer competitive prices as compared with other service providers in the market. Diagnostic chains also focus on creating a better brand name to increase patient walk-ins through strategies such as organizing health camps, launching testing various packages (where five or six routine tests are offered at lower prices) and offering home collection facilities, and so on.

Another factor that favors diagnostic chains is that standalone centers may have limited test offerings, and the perceived quality of testing may not be as good as that of an established chain.

Diagnostic chains to continue to eat into market share of standalone centers

Diagnostic chains have grown rapidly with the emergence of pan-India players. Historically, standalone diagnostic centers and hospital-based diagnostics have dotted the industry landscape. However, modern management tools and private capital have enabled the expansion of some of these standalone centers since 2000, leading to the emergence of large chains.

CRISIL Research believes that the share of diagnostic chains in the overall market will increase to 16% by 2017-2018 on account of a robust CAGR of 19% over the next three years. This growth will be led by rapid expansions in the number of outlets by major chains as well as by standalone centers scaling up their operations to become regional players.

Segment projections for diagnostic centres

(Market size in Rs billion)	2014-15E		2017-18P		CAGR (%)
	Market Size	Share (%)	Market Size	Share (%)	
Hospital based	139	37%	222	37%	17%
Diagnostic chains	57	15%	96	16%	19%
Standalone centers	181	48%	283	47%	16%
Indian diagnostics industry	377		601		17%

Note: E: Estimated; P: Projected

Source: CRISIL Research

Diagnostic chains have been able to maintain rapid growth by opening more collection centers, which has helped them improve their asset utilization. Moreover, large chains have higher bargaining power that allows them to keep their input costs (bulk purchase of reagents) lower than standalone centers. Standalone centers also tend to lose out on some business on account of the unavailability of complex tests and the perception that the quality of services may not match that provided by branded chains. In the past, the industry has also witnessed a few acquisitions (of standalone centers) by major diagnostic chains.

The success of many large chains has spurred smaller regional players also to adapt the hub-and-spoke model. These players are now using collection centers to expand their reach in their local markets, and are investing in logistics and IT systems to compete with the larger chains. These smaller regional chains focus on customer service to differentiate themselves and compete with the large, established brands.

Key success factors and risks for a diagnostic center

Success factors

Strong brand name

Establishing a strong brand name is essential as it helps to increase patient walk-ins. This is typically accomplished via strategies such as offering wide range of services, organizing health camps, offering subsidized packages (routine tests offered at lower prices), online delivery of reports and home collection of samples. A strong brand name also ensures lower dependence on other tie-ups for revenues.

Wide network

Diagnostic chains can process large testing volumes. Hence, it is important to increase the network of satellite labs and collection centers aligned through the hub-and-spoke model. This helps diagnostic chains to achieve incremental volume and revenue. Larger volumes help the chains to achieve economies of scale, as they result in optimum utilization of equipment and help spread the operating costs of consumables and staff over a larger number of centers.

Robust logistics network

Lower turnaround time helps patients receive their reports on time, which, in turn, reduces the time for further diagnosis. A robust logistics network is able to bring down the turnaround time from sample collection to final report generation. It also increases the authenticity of tests by performing the procedure before samples expire or become degraded. Moreover, such a logistics network is able to cater to a larger catchment area and is essential for the success of the hub-and-spoke model.

Multiple channel sources

Tie-ups with multiple sources help diagnostic centers, especially chains, to generate steady volumes of tests in the initial growth phase of the network in a given region. These can be in the form of arrangements with smaller labs, hospital-based labs, corporate clients or via a doctors network.

Quality and accuracy of tests

The quality and accuracy of tests is determined by the technological edge the diagnostic center possesses in terms of good quality reagents, fully automated systems and qualified pathologists and radiologists. This, in turn, helps in proper diagnosis. Proper maintenance of equipment, periodic quality controls and checks are also critical to ensure that test results are accurate. This ensures that more and more medical practitioners begin to trust and avail themselves of the services of a particular diagnostic center that offers high quality and accuracy of test results.

Location

While setting up a diagnostic center, its location is a critical success factor. Factors such as the age profile and income demographics of target customers residing in the locality should be considered. Competition from other existing diagnostic centers in the vicinity and the brand equity of the diagnostic chain are also important factors to be taken into account while setting up a diagnostic center.

Key risks

Intense competition

India's diagnostics industry is highly competitive with standalone centers having close to a 48% market share, compared to around 37% for hospital-based diagnostic centers. This increases competition for organized diagnostic chains in terms of volumes of patients' samples and aggressive pricing of diagnostic tests.

Geographical concentration

Many small diagnostic chains operating three or four labs in a particular location or region are susceptible to the supply and demand dynamics of that specific location.

Shortage of manpower

Key area of concern is the training and retention of critical staff such as lab technicians, who are employed at labs and collections centers and are responsible for the collection and preservation of patient samples. The situation is even more critical for standalone diagnostic centers, which may not be able to employ well-trained lab technicians and pathologists.

Vulnerable to technological advancements

To stay ahead of the competition, diagnostics centers have to constantly upgrade their technology. However, these upgrades not only involve significant capital investments but also increase maintenance costs. This significantly increases cost overheads for service providers. Moreover, two versions of certain equipment could have a significant price differential, making it difficult for service providers to upgrade. This is especially the case for smaller players who face a paucity of funds.

Regulatory Framework

Lack of a comprehensive and stringent regulatory framework

The diagnostic industry in India does not have a stringent and comprehensive regulatory framework.

The Clinical Establishments (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 that 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.

Radiology centers additionally have to adhere to regulations under the Preconception and Pre-Natal Diagnostic Techniques Act (Prohibition of Sex Selection) Act, 1994, for operating ultrasound machines. Centers also need to adhere to the Bhabha Atomic Research Center's ("BARC") guidelines for setting up CT, MRI and X-ray equipment.

Mandatory licences and regulations

S. No.	Name of Licenses and Regulations
1	Shop establishment license
2	Pre-Natal Diagnostic Techniques Act
3	Bhabha Atomic Research Centre Guidelines
4	Pollution control board
5	Clinical Establishment act, 2010

Source: CRISIL Research

Voluntary accreditations

The 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 diagnostics services according to a set of standards. NABL is the sole accreditation body in India maintaining criteria to assure the accuracy, reliability and conformity of the test results. NABL is an autonomous body under the Ministry of Science and Technology.

Other main accreditations include the College of American Pathologists ("CAP") laboratory accreditation and certifications from the International Organization for Standardization ("ISO"). The CAP is an internationally recognized program that offers an accreditation service to help laboratories in turn obtain the ISO 15189 certification (for medical laboratories).

Voluntary accreditations

S. No.	Name of Accreditations
1	National Accreditation Board for Testing and Calibration Laboratories (NABL)
2	College of American Pathologists (CAP) laboratory

Source: CRISIL Research

Trends in technology

Point-of-care testing

Traditionally, centralized laboratory testing requires patients to come in or specimens to be transported to the center for analysis.

Point-of-care testing (“POCT”) refers to decentralized diagnostic tests that are conducted at or near the site of patient care through the use of portable, hand-held devices and test kits, which may be connected to small analyzers. Point-of-care testing is primarily performed by non-laboratory personnel in diverse locations, which include the patient’s bedside, out-patient clinics, primary care clinics, retail pharmacies, ambulances and patients’ homes.

Point-of-care tests fall under the category of in vitro diagnostics (“IVD”), which is the method of performing a diagnostic test outside a living body and in an artificial environment, usually a laboratory. The expression ‘in-vitro’ comes from Latin, literally meaning ‘within the glass’. The name reflects the fact that historically such tests were conducted in glass vessels, such as test tubes.

Globally, the point-of-care diagnostics market can be broadly categorized into the following:

- Infectious diseases testing kits: These kits are typically used for testing diseases such as influenza, HIV, hepatitis, tuberculosis, malaria, dengue and sexually transmitted diseases, among others.
- Glucose monitoring kits: These kits allow the patient to monitor the amount of sugar, known as glucose, in the blood using a drop of blood from the fingertips as a sample.
- Coagulation monitoring kits: These kits allow patients to monitor their international normalized ratio (“INR”), which indicates the amount of time required for coagulation or clotting of blood. These kits are typically used by patients suffering from thromboembolic disease where fragments of blood clots dislodge and circulate in the bloodstream and can potentially obstruct vessels in the lungs, heart or brain, causing a fatality.
- Urinalysis testing kits: These kits allow patients to detect and measure various physical properties, solutes, cells, casts, crystals, organisms, or particulate matter, which can pass through the urine. Some tests are qualitative in nature, that is, they only determine whether the sample is positive or negative for the condition tested, while some tests are semi-quantitative in nature, which additionally provide an estimation of a quantitative result.
- Hematology testing kits: These kits are used by patients to detect and measure various components of blood such as hemoglobin, hematocrit, white blood cells, platelets and bilirubin, among others.
- Cholesterol test strips: These kits are used to determine the levels of cholesterol, low density lipoprotein (“LDL”), high density lipoprotein (“HDL”) and triglycerides as a part of preventive health care against heart diseases.
- Drugs of abuse testing kits: These kits are used to determine the presence of certain chemicals, which are associated with cases of addiction, such as ethanol, methadone, opiates and amphetamines, among others.

- Cardiac markers: These kits are used to diagnose and manage chest pains in patients in the emergency department. It provides the clinician an opportunity to make an earlier diagnosis of acute myocardial infarction (“AMI”) and helps in predicting which patients are likely to experience complications. Cardiac markers typically test for biomarkers such as troponin, myoglobin and creatine kinase (“CK-MB”).
- Blood gas/electrolytes testing kits: These kits are used to measure pressures of blood gases such as oxygen, carbon dioxide, bicarbonate and pH levels.
- Tumor/cancer markers: These kits are used to detect the presence of biomarkers in blood, urine or body tissues for the detection of cancer.
- Pregnancy and fertility testing kits: These kits are used by patients to detect the presence of human chorionic gonadotropin (hCG) in the sample for confirming pregnancy.
- Fecal occult testing kits: These kits are used to detect the presence of microscopic or invisible blood in the stool or feces, which could indicate a problem in the digestive system, such as a growth, polyp or cancer in the colon or rectum.
- Food pathogens testing kits: These kits are used to detect the presence of foodborne pathogens like E. coli, Campylobacter and Salmonella in food products and production environments.

Based on end-users, the global point of care diagnostics/testing market is segmented into:

- Patient professional monitoring kits: These are typically used by trained medical professionals.
- Patient self-monitoring kits: These are typically used by the patients themselves or by non-medical personnel, largely as a part of preventive healthcare.

Furthermore, based on the prescription mode, the global market has been segmented into:

- Over-the-counter testing kits
- Prescription-based testing kits

Other trends in diagnostics include:

Digital pathology:

Digital pathology, which is enabled by computer technology, allows for the management of information generated from a digital slide. Digital slides are typically created from glass slides using a scanning device and are accessible for viewing via a computer monitor and viewing software, either locally or remotely via the internet. Image analysis tools are used to derive objective quantification measures from digital slides. Pattern recognition and visual search tools are usually used to classify specimen imagery and identify medically significant regions of digital slides. Digital pathology workflow can be integrated into the institution’s overall operational environment and can also allow sharing for education, diagnostics, publication and research.

Whole slide imaging:

Whole slide imaging is a digital scan of an entire glass slide, allowing the digital file to be viewed on a computer monitor rather than through a microscope.

Molecular diagnostics:

Molecular diagnostics is a technique used to analyze biological markers in the genome and proteome—the individual’s genetic code and how their cells express their genes as proteins—by applying molecular biology to medical testing. The technique is typically used to diagnose and monitor disease, detect risk, and decide which therapies will work best for the individual.

Wearable biosensors:

Bio-sensors have the ability to detect and analyze data to give patients information on their heart rate, blood pressure, blood sugar and hormone levels, and can also test whether the patient is infected with antibiotic-resistant bacteria. Wearable E-skin that can measure a patient's heart rate and blood pressure, and paper diagnostic machines the size of a credit card that can give instant readings on blood and saliva samples are examples of the technological advancements in this field.

mHealth:

mHealth (also written as m-health) is an abbreviation for mobile health, a term used for the practice of medicine and public health supported by mobile devices. The term is typically used in reference to using mobile communication devices, such as mobile phones, tablet computers and PDAs, for health services and information, but also using their devices to affect emotional states. The mHealth field has emerged as a sub-segment of eHealth, which can be defined as the use of information and communication technology ("ICT"), such as computers, mobile phones, communications satellites and patient monitors for health services and information.

OUR BUSINESS

Certain data included in this section in relation to certain operating metrics, financial and other business information and data (such as the number of patients, clinical laboratories, patient service centers and pickup points, as well as gross revenue for various geographical segments, among others) have been reviewed and verified by Nangia & Co., third-party Chartered Accountants. However, data in relation to increases in walk-in patients from Fiscal Year 2013 to Fiscal Year 2015, material tests in terms of total consolidated revenue and total number of employees and consultants have been solely based on internal management data and has not been independently verified by the BRLMs or any independent accounting firm.

Overview

We are a provider of diagnostic and related healthcare tests and services in India. Through our integrated, nationwide network, we offer patients and healthcare providers a broad range of diagnostic and related healthcare tests and services for use in core testing, patient diagnosis and the prevention, monitoring and treatment of disease and other health conditions. Our customers include individual patients, hospitals and other healthcare providers and corporate customers. In Fiscal Year 2015, we collected and processed approximately 21.8 million samples from approximately 9.9 million patients.

Diagnostic healthcare testing is an essential element in the delivery of healthcare services, as it provides healthcare service providers with useful information for the diagnosis and treatment of diseases. According to CRISIL Research, the size of the Indian diagnostic healthcare services industry was approximately ₹ 377 billion (US\$6.0 billion) in Fiscal Year 2015, and it is projected to grow to over ₹ 600 billion (US\$9.6 billion) by Fiscal Year 2018. We believe that the increasing prescription of diagnostic tests and services by healthcare providers in India, combined with the growing focus on early detection and prevention of chronic and lifestyle diseases, such as diabetes, hypertension, heart disease and cancer, creates a significant market opportunity for us.

We focus on providing patients quality diagnostic and related healthcare tests and services. We believe our focus on the patient as a customer is a critical differentiator in the diagnostic and healthcare industries and, together with what we believe is our brand's recognition for quality diagnostic services, results in individuals and healthcare providers choosing us as their diagnostic healthcare service provider. This is because (i) in India, patients generally choose their diagnostic healthcare service provider and (ii) patients and healthcare providers seek quality healthcare service providers due to what we believe is a range in quality and reliability of diagnostic healthcare services in India. For example, from Fiscal Year 2013 to Fiscal Year 2015, walk-in patients to our clinical laboratories and patient service centers, as well as home collection patients, increased significantly and were a primary driver to our overall growth.

With over 3,368 diagnostic and related healthcare tests and services offered, we believe we are capable of performing substantially all of the diagnostic healthcare tests and services currently prescribed by physicians in India. Our diagnostic and related healthcare tests and services include (i) "routine" clinical laboratory tests — such as blood chemistry analyses and blood cell counts; (ii) "specialized" testing services — such as histopathology analyses, genetic marker-based tests, viral and bacterial cultures and infectious disease tests; and (iii) preventive testing services — such as screenings for hypertension, heart disease and diabetes. We perform these tests and services in our clinical laboratories using sophisticated and computerized instruments.

We have built a national, "hub and spoke" network that includes our National Reference Laboratory in New Delhi, 163 other clinical laboratories, 1,340 patient service centers and over 5,000 pickup points as of March 31, 2015. We believe our "hub and spoke" model, whereby specimens are collected across multiple locations within a region for delivery to a predesignated clinical laboratory for centralized diagnostic testing, provides greater economies of scale and offers a scalable platform for the continued growth of our business. Our network is present across India, including large cities such as New Delhi, Mumbai, Bengaluru, Chennai, Hyderabad and Kolkata. Our centralized information technology platform fully integrates our large network through a common logistics and payments system and tracks our operations and internal performance metrics, thereby enabling us to improve the efficiencies of our business.

Our management team has experience in the healthcare industry, and under their leadership, we have grown rapidly over the last several years. In Fiscal Year 2013, we collected 16.0 million samples from 7.7 million patients, which increased to 19.0 million samples from 9.0 million patients in Fiscal Year 2014 and to 21.8 million samples from 9.9 million patients in Fiscal Year 2015. From Fiscal Year 2013 to Fiscal Year 2015, (i) our total revenue grew from ₹ 4,544.77 million to ₹ 6,625.24 million, representing a CAGR of 20.7%; (ii) our EBITDA grew from ₹ 1,004.71 million to ₹ 1,588.87 million, representing a CAGR of 25.8%; (iii) our profit for the year grew from ₹ 556.47 million to ₹ 949.97 million, representing a CAGR of 30.7%; and (iv) our consolidated net worth increased from ₹ 1,620.54 million to ₹ 3,410.82 million.

Competitive Strengths

Our key competitive strengths are:

Business model focused on the patient as a customer and an established consumer healthcare brand associated with quality services, in a market where patients generally choose their diagnostic healthcare service provider.

We focus on providing patients quality diagnostic healthcare services in India. Through our network, we offer patients convenient locations for their diagnostic healthcare services and efficient service. In addition, we believe individuals and healthcare providers associate our brand with quality diagnostic services. For example, in 2002, our clinical laboratory on Hanuman Road in New Delhi became one of the first laboratories in India to attain an “International Accreditation” from the College of American Pathologists (“CAP”), which we believe is one of the main accreditations in our industry. For additional information regarding the CAP accreditation process and our quality assurance-related accreditations, see the “— *Quality Assurance*” on page 144.

We believe our focus on the patient as a customer is a critical differentiator in our industry and, together with what we believe is our brand’s recognition for quality diagnostic services, results in greater numbers of individuals and healthcare providers choosing us as their diagnostic healthcare service provider. This is because (i) in India, patients generally choose their diagnostic healthcare service provider and (ii) patients and healthcare providers seek quality healthcare service providers due to what we believe is a range in quality and reliability of diagnostic healthcare services in India.

Well-positioned to leverage upon one of the fastest-growing segments of the Indian healthcare industry.

We have built a national network consisting of our National Reference Laboratory in New Delhi, 163 other clinical laboratories and 1,340 patient service centers as of March 31, 2015. Our network has coverage across India, including metropolitan areas such as New Delhi, Mumbai, Bengaluru, Chennai, Hyderabad and Kolkata. We believe that the combination of our long operating history, our nationwide network and our reputation for providing quality diagnostic healthcare services positions us well to take advantage of the growth of the Indian diagnostic healthcare services industry, which, according to CRISIL Research, was approximately ₹ 377 billion (US\$6.0 billion) in size in Fiscal Year 2015, and is projected to grow to over ₹ 600 billion (US\$9.6 billion) by Fiscal Year 2018. Combined with the current fragmentation of our industry, we also view this as an opportunity for additional growth as smaller stand-alone laboratories and centers are choosing to join larger diagnostic healthcare services chains like ours as franchisees or as attractive acquisition targets.

A network whose growth yields greater economies of scale, combined with a “hub and spoke” model that is scalable for further growth.

We believe our business is a combination of (i) a “hub and spoke” model that both yields economies of scale and is scalable for future growth, (ii) an instrument leasing model that results in lowered capital expenditures for diagnostic equipment and (iii) a network whose size enhances our purchasing power with suppliers. First, as our network and the number of tests we perform have grown, we have achieved greater economies of scale, which has enabled us to process our tests more efficiently and at lower cost. This is because the efficiency of a clinical laboratory improves as a function of the quantity of tests performed. Accordingly, as our sample volumes increase, they become progressively less expensive, making our clinical laboratories more cost-efficient. In addition, we believe our “hub and spoke” model is scalable and, thus, provides opportunity for the further growth of our business. Second, we

perform our tests and services on equipment and instruments which generally are leased under a “reagent rental” model. We believe this model benefits us economically by lowering our capital expenditures for diagnostic equipment, since we do not have to disburse any amounts immediately upon receiving the instruments and equipment, but, instead, effectively amortize them through purchases of the reagent-inputs necessary to perform the tests and services. Finally, we believe the size of our network provides us greater bargaining power with suppliers, thereby allowing us to reduce costs and improve our profit margins.

Centralized information technology platform that fully integrates our network and is scalable.

Our centralized information technology platform fully integrates our large network through a common logistics and payments system, thereby allowing us to collect more efficiently samples and payments from patients and healthcare service providers. In addition, our technology platform tracks our operations and internal performance metrics, thereby enabling us to improve the operating efficiency of our business. Our centralized technology platform also gives healthcare providers convenient, online access to diagnostic results. Furthermore, the growth of our network is supported by the scalability of our technology platform, which readily can adapt to the increased data requirements of additional clinical laboratories and patient service centers.

Attractive financial performance, financial profile and return on invested capital.

Our business has demonstrated over the last three Fiscal Years attractive financial performance. From Fiscal Year 2013 to 2015, our total revenue grew from ₹ 4,544.77 million to ₹ 6,625.24 million, representing a CAGR of 20.7%; our EBITDA grew from ₹ 1,004.71 million to ₹ 1,588.87 million, representing a CAGR of 25.8%; our EBITDA margin grew from 22.1% to 24.0%; and our profit for the year grew from ₹ 556.47 million to ₹ 949.97 million, representing a CAGR of 30.7%. Our attractive financial profile is evidenced by our low level of indebtedness. We have also enjoyed returns on consolidated net worth between 27.9% (during Fiscal Year 2015) and 34.7% (during Fiscal Year 2014) in the period from Fiscal Year 2013 to Fiscal Year 2015. Our financial performance is due principally to (i) the growth of our network as well as the expansion of our portfolio of diagnostic and related healthcare tests and services, (ii) improvements in our operating efficiency, including management of costs and expenses, (iii) our lower capital expenditure model, including our use of a “reagent rental” model, which lowers our capital expenditures for diagnostic equipment and (iv) our strategy of prioritizing resources and investments in accordance with their significance to our business.

Experienced leadership team with strong industry expertise and successful track record.

We are led by a strong and dedicated team of experienced professionals with skill sets that are complementary and, we believe, requisite for the fast-growing Indian diagnostic healthcare services sector. Members of our management team have experience in the healthcare industry, and, under their leadership over the last several years, we have grown rapidly and increased both the productivity and efficiency of our network. Our management team includes both of our individual promoters, who are licensed pathologists, each having practiced pathology for over 30 years. Moreover, several members of our management team also have experience as managers of companies publicly listed in India and experience with integrating the operations of acquired businesses.

Our Strategy

The key elements of our business strategy are as follows:

Continue to expand our presence in the markets in which we operate.

We intend to strengthen our presence in regions in which we operate, with a particular emphasis on our core markets of North India as well as Central and Eastern India. In North India, we intend to further strengthen our position by opening new franchised patient service centers across this region in order to expand our network’s reach. We intend to expand our presence in Central and Eastern India through the construction of regional reference laboratories, including a large, regional reference laboratory in Kolkata combined with the opening of additional smaller clinical laboratories and several new, complementary patient service centers. We also plan targeted expansion in Southern and Western India by opening additional clinical laboratories and patient service centers. See the section entitled

“Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations and Financial Condition—The Cycle of Opening Clinical Laboratories and New Patient Service Centers” on page 336 for further discussion about this growth strategy and its effects following this offering.

Expand into other markets in India through strategic acquisitions and partnerships.

We will continue to explore expansion opportunities in India, including through strategic acquisitions of regional diagnostic healthcare service providers who possess brand recognition among an existing patient base and healthcare providers. We will also continue to seek strategic partnerships with key franchisees and hospitals to help sustainably support our future growth. We previously have undertaken strategic acquisitions in India of smaller-scale diagnostic healthcare service providers and various partnerships for the management of hospital laboratories and with numerous franchisees that increased our patient base, customer reach and economies of scale, and we will continue to explore similar opportunities. We believe future acquisitions and partnerships will provide us operating synergies and a basis for organic growth in these new regions, through the introduction of diagnostic healthcare services — such as specialized testing — that are in addition to those already offered by the acquired companies. We also believe that strategic acquisitions and partnerships will provide us with additional purchasing power with our suppliers and increased economies of scale.

Increase the breadth of our diagnostic healthcare testing and services platform.

We plan to increase the breadth of our diagnostic healthcare testing and services platform through, among other things, the adoption of new, cutting-edge diagnostic healthcare testing technology, as we believe this will expand our sources of revenue and further enhance the reputation of our brand. For example, we intend to offer more preventive healthcare screening and chronic and lifestyle disease management services, given the increasing health awareness of, and concomitant increase in, chronic and lifestyle diseases in India. This would include additional development in the areas of genetics, molecular and oncology testing, as well as an expansion of our current chronic disease management and wellness programs. We also intend to further grow our corporate customer base by continuing to market our healthcare proposition to human resource departments and other corporate decision makers.

Continue our focus on providing our customers quality diagnostic and related healthcare tests and services.

The quality and reliability of our diagnostic and related healthcare tests and services are essential to our success, as we believe these are primary concerns to patients, hospitals and other healthcare providers and corporate customers. Accordingly, our commitment to the quality and reliability of our diagnostic healthcare services is fundamental to our corporate brand and strategy. For example, we will continue to respond to the needs of individual customers and the healthcare industry by maintaining the quality of our diagnostic healthcare services and improving our turnaround times for testing results. In addition, we will continue to upgrade our diagnostic equipment and technology in order to increase the efficiency of our processing capacity, and we also will continue to increase the geographic reach of our radiology services. We believe we gain access from our suppliers to advanced diagnostic technologies and equipment, which further enhance the quality and reliability of our diagnostic healthcare services. We will also continue to enhance the customer experience by further developing our online initiatives and leveraging our potential data analytics capabilities.

Leverage our network efficiencies to expand our management of hospital-based and other clinical laboratories.

We also plan to increase the number of hospital-based clinical laboratories that we manage by leveraging the scale and efficiency of our network to perform the diagnostic healthcare testing services of these hospitals and other clinical laboratories within our facilities. We may seek similar opportunities with “polyclinics” — which generally are consolidated partnerships of physicians, consisting of general practitioners and specialists. Polyclinics generally have limited resources, thus presenting an opportunity for us to provide them both laboratory management and specialized laboratory testing services.

Business Operations

Our Network

We offer access to diagnostic healthcare services in India through our nationwide network of clinical laboratories (including our National Reference Laboratory), patient service centers and pickup points. We have organized our network into a “hub and spoke” model, whereby specimens are collected from across multiple locations within a catchment area or region for shipment to a predesignated clinical laboratory for centralized diagnostic testing. Cities within each catchment area are connected through a logistics ecosystem comprised of a team of third-party couriers, and supported by independent air-freight couriers for longer distance transport.

Our clinical laboratories and National Reference Laboratory offer a range of approximately 1,079 test panels — which are organized into approximately 1,813 pathological tests and 1,555 radiology and cardiology tests, as well as services that cover a range of specialties and disciplines. As of March 31, 2015 our network included 164 clinical laboratories, including our National Reference Laboratory; 1,340 patient service centers; and over 5,000 pickup points. We have recently amalgamated five wholly owned subsidiaries that were primarily engaged in pathological and radiological investigations. The amalgamation was conducted with the aim of generating synergies and economies of scale and pooling resources to improve cash flow management and reduce overhead. For details of the amalgamation, see the section entitled *“History and Certain Corporate Matters—Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets”* on page 160.

The map below depicts the geographical spread of our facilities as of March 31, 2015:



The below chart depicts the infrastructure of our network as at March 31, 2015, 2014 and 2013:

	As at March 31,		
	2015	2014	2013
Clinical Laboratories	164	146	131
Total Patient Service Centers	1,340	1,064	824
Owned Patient Service Centers	69	55	48
Franchisee Patient Service Centers	1,271	1,009	776
Pickup Points	5,667	4,225	2,879

The below chart depicts our revenue from services by geographical segment for Fiscal Years 2015, 2014 and 2013:

Zone	Year ended March 31,		
	2015	2014	2013
	(in ₹ million)		
North India	4,763.68	4,085.36	3,398.42
East India	829.30	670.57	457.81
South India	367.84	292.92	239.64
West India	565.26	472.32	374.64
International	69.47	57.92	45.71
Total	6,595.55	5,579.09	4,516.22

National Reference Laboratory

Our National Reference Laboratory first opened in July 2010 in New Delhi and is our main “hub” for the rest of our network in India. The laboratory facilities consist of a total area of 7,253 square meters. In our National Reference Laboratory, we conduct all of the routine and specialized tests which are offered within our network. In addition to walk-in patients, our National Reference Laboratory receives test requests and related specimens via courier from our clinical laboratories, patient service centers and pickup points and through home collection. Our National Reference Laboratory is currently internationally accredited by CAP.

Centralized testing has yielded economies of scale that have, in turn, allowed us to obtain more efficient equipment and information technology systems that have further improved the overall efficiency of our diagnostic testing. We aim to continue to achieve economies of scale in both procurement and service provision as we expand our network to serve our customers’ needs.

Clinical Laboratories

Our 164 clinical laboratories (including our National Reference Laboratory) are strategically located in metropolitan areas and tier I and tier II cities in India to serve as “mini-hubs” to surrounding patient service centers and pickup points. Clinical laboratories receive test requests and related specimens from our patient service centers and pickup points via courier, and are equipped to conduct and process routine diagnostic tests onsite. Clinical laboratories also collect specimens for more complex, specialized testing to be conducted in our National Reference Laboratory. To the extent that tests required by our clinical laboratory patients can be processed onsite, our specialized clinical laboratory staff will process the tests and submit the results directly to our patients, allowing for a shorter overall turnaround time. If tests or services that are more specialized are required, the specimens collected at our clinical laboratories are then delivered to our National Reference Laboratory in New Delhi for processing. In 2002, our clinical laboratory on Hanuman Road in New Delhi became one of the first laboratories in India to attain an “International Accreditation” from CAP, which we believe is one of the most prestigious accreditations in our industry.

Some of our clinical laboratories are equipped to provide basic imaging and radiology services, including echocardiograms, X-rays and ultrasound. Certain of our laboratories which provide radiology services do so pursuant to arrangements where a third party will provide radiology services under a revenue-sharing agreement.

Out of our 164 clinical laboratories, six are not owned and operated by us. Our franchise agreements for those six laboratories provide (i) that the laboratory will be operated under our brand name, in accordance with our standard operating procedures and quality controls standards and under the supervision of a laboratory chief, who is a full-time pathologist appointed by us; (ii) for revenue-sharing arrangements, which are dependent on the revenues for non-routine tests versus routine tests performed, as a function of onsite versus offsite laboratories that perform such tests; and (iii) that the franchisee is responsible for the costs of operating and maintaining the laboratory, including for the purchase of reagents pursuant to reagent rental agreements that are arranged by our Company. Our franchise agreements are typically exclusive long-term arrangements, and can be terminated only after a period of five years, other than due to a fundamental breach of an agreement. Our franchisees are restricted from undertaking pathology-related tests or sample collections either by themselves or in collaboration with third parties during the term of the agreements, and for a period of five years post-termination. Our Company is also restricted from undertaking pathology-related tests or sample collections, either by itself or in collaboration with third parties, in the same city as a franchised laboratory during the term of the agreement.

Patient Service Centers

Our patient service centers — which we also refer to, internally, as “collection centers” — are for the purpose of collecting specimens for shipment to our clinical laboratories or our National Reference Laboratory, depending on the nature of the test sought. As of March 31, 2015, we had a total of 1,340 patient service centers. Typically, individuals come to our patient service centers with a prescribed test request from a physician, other qualified healthcare professional or a hospital, clinic or nursing home. Based on the particular request, our patient service center staff collect the specimens required for testing. Specimens collected at our patient service centers are delivered through our logistics network to a clinical laboratory predesignated to process the type of test requested from the specific patient service center that collected the sample. If the test requested is of a certain nature or complexity, the sample is directed to our National Reference Laboratory in New Delhi for processing.

Of our patient service centers, as of March 31, 2015, 69 were owned by us, and 1,271 were exclusive franchisees. We believe our franchised patient service centers help to broaden the geographical reach of our brand and network. Pursuant to the terms of our contractual agreements with franchisees, they must establish patient service centers in accordance with our standards and specifications, which include requirements in relation to size and infrastructure; generally provide certain, basic diagnostic equipment; are responsible for obtaining the physical space for the patient service center; and, in certain cases, must recruit phlebotomists, other specimen collection staff and front office staff. We provide technical, personnel and marketing support to our franchisees in respect of establishing and operating the patient service center, and in certain cases, we also provide the requisite consumables and collection materials. Our franchise agreements are exclusive, and typically range from a period of five to nine years. Our franchisees are restricted from undertaking pathology-related tests or related activities either by themselves or in collaboration with third parties during the term of the agreements, and or a period of two years post-termination. All of our patient service center franchise arrangements operate under a revenue sharing model, whereby we record all gross revenue of the franchised patient service center, and, on a monthly basis, remit to the franchisee its specified share of the revenue.

Pickup Points

Throughout India, we establish pickup points with third parties where large- and small-scale hospitals, nursing homes, physician practices, laboratories and other healthcare service providers can deliver specimens for testing in our clinical laboratories, including our National Reference Laboratory. We believe this is a cost-effective way for healthcare providers that have specimen and sample collection capabilities, but may lack the resources, expertise, scale or the requisite licenses possessed by larger clinical laboratories, like ours, to provide testing services for their patients. Test reports are either issued to patients under our brand name or are “white-labeled” by the requesting entity or professional. Samples and specimens are collected from pickup points on a periodic basis and delivered via courier to our clinical laboratories or our National Reference Laboratory, depending on the nature and complexity of the tests required. As of March 31, 2015, we had over 5,000 pickup points throughout India.

Hospital and Clinical Laboratory Management

Hospitals which lack the resources, licenses or scale to operate onsite clinical laboratories efficiently often seek to enter into laboratory management agreements with larger laboratory networks, like ours. Under these arrangements, we establish and manage “in-hospital” clinical laboratories to conduct onsite routine testing and provide offsite support for more complex testing needs through our laboratory network on a revenue-sharing basis. Pursuant to the terms of our contractual agreements, the hospital typically provides rent-free space and access to its utilities and other infrastructure, and we provide the diagnostic equipment and are responsible for all costs relating to personnel, consumables, transportation of samples and maintenance of the laboratory. As of March 31, 2015, out of our 164 clinical laboratories, 19 were under laboratory management arrangements.

Similarly, we have entered into clinical laboratory management arrangements with independent laboratories, whereby we operate, but do not own, their laboratories (and certain patient service centers) in accordance with our quality standards. While some of our clinical laboratory arrangements are on a fixed management-fee basis, a majority are operated on a revenue-sharing basis. Under our contractual agreements, we typically lease the physical space from the laboratory, which also provides us their existing diagnostic equipment, while we are responsible for the maintenance and update of the equipment. We also typically are responsible for costs relating to the day-to-day operation of the laboratory, such as utilities, staff costs and marketing costs. These laboratories are generally operated on an exclusive, co-branded basis, and testing reports are issued under joint letterhead.

Home Collection Service

Our home collection service allows specimens to be collected from our patients’ locations, such as their homes or offices. This is a key part of our customer-centric approach, as we strive to provide convenient, quality services to our patients. We believe our home collection service also helps to alleviate potential “high traffic” periods in our clinical laboratories and patient service centers.

International Operations

At present, we either collect or receive specimens from the following countries for diagnostic testing at our clinical laboratories in India: Bhutan, Sri Lanka, Nepal, Bangladesh, Myanmar, the United Arab Emirates, Oman, Qatar, Kuwait, Kenya, Tanzania and Nigeria. The samples that we receive from these countries are imported in compliance with the Indian Council of Medical Research (“ICMR”) guidelines for the import of test samples. We currently have no laboratories or testing facilities outside of India, but we continue to explore select opportunities to expand in this regard beyond India. As part of our growth strategy, we may consider clinical laboratory expansion in the neighboring countries of Nepal, Bangladesh and Sri Lanka, as well as selective entry into certain African and Middle Eastern countries.

Paliwal Network

Paliwal Diagnostics Private Limited and Paliwal Medicare Private Limited, our Subsidiaries, operate diagnostics networks in Kanpur. The Paliwal network is co-branded with the Dr. Lal PathLabs brand to benefit from our brand recognition and in turn extend our geographic reach. Paliwal acts as a “mini-hub” for its own network of franchisee service centers that collect specimens in that region. The Paliwal laboratory is capable of conducting routine testing, and we provide offsite support for more complex testing needs through our laboratory network.

Clinical Laboratory Services

Through our nationwide network, we offer a range of approximately 1,079 test panels, which are organized into approximately 1,813 pathological tests and 1,555 radiology and cardiology tests, as well as services that cover a range of specialties and disciplines.

Routine Testing

Routine testing generally is performed on whole blood, serum, plasma and other body fluids and specimens such as microbiology samples. These tests measure various important bodily health parameters such as the functions of the kidney, heart, liver, thyroid gland and other organs. We perform and report most routine testing procedures utilizing a variety of sophisticated and computerized testing instruments. Commonly ordered tests include blood chemistries, including hormone analysis, hematology and coagulation testing and clinical pathology testing, such as urinalysis.

Specialized Testing

Specialized tests are clinical laboratory tests that are not routine. Specialized tests include molecular diagnostics, protein chemistry, cellular immunology, flowcytometry, genetics, cytogenetics, immunohistochemistry and advanced microbiology tests. They also include anatomic pathology testing for the diagnosis of cancer and other medical conditions through the examination of tissue and cell samples taken from patients, and include the disciplines of histopathology, cytopathology, clinical pathology and immunopathology. Because of their complexity, these tests may require professional attention from skilled personnel, generally require more sophisticated technology, equipment and materials and are performed less frequently than routine tests. It is not practical, from a cost-effectiveness or infrastructure perspective, for most hospital, clinic or physician's office laboratories to develop and perform a broad menu of specialized tests, or to perform low-volume specialized testing in-house. As a result, such tests are often referred by these healthcare providers to independent laboratories, like ours, which possess the capabilities to perform more complex testing. Commonly ordered specialized tests include viral and bacterial detection tests, drug therapy monitoring tests, gene-based tests, autoimmune panels and complex cancer evaluations. The vast majority of specialized tests we perform are conducted in our National Reference Laboratory.

Preventive and Related Healthcare Services

Our experience in diagnostic and related healthcare testing and services has allowed us to selectively combine diagnostic tests into various service packages to assist patients and healthcare providers seeking to monitor their health and to prevent or treat diseases and other health conditions.

Radiology Services

Certain of our clinical laboratories also provide physicians and individual patients with imaging capabilities to facilitate the diagnosis and treatment of diseases and disorders. Of the 1,555 radiological and diagnostic imaging tests we are equipped to provide in our laboratories, the principal tests provided are echocardiograms, X-rays and ultrasounds.

Logistics and Procedures

Logistics and Specimen Tracking

Reliable logistics and specimen tracking are essential to the provision of our services. We strive to continuously improve our ability to timely collect, transport and track specimens from patients and between our laboratory locations. The use of logistics and specimen tracking technology facilitates the timely transportation, monitoring and storage of specimens. Approvals from the ICMR, the Department of Health Research and the Ministry of Health and Family Welfare are required to import samples from certain countries outside India for testing at our clinical laboratories.

We have organized our network into a "hub and spoke" model, whereby specimens are collected across multiple locations within a catchment area or region for shipment to a predesignated clinical laboratory for centralized diagnostic testing. Specimens are collected at our clinical laboratories, patient service centers or pickup points. Once collected, a specimen is transported to a laboratory capable of processing the specific type of test sought, which could be a nearby clinical laboratory or, in the event a test sought is of certain specialized nature, our National Reference Laboratory. Locations within each catchment area are connected through a logistics ecosystem comprised of a team of third-party couriers, and supported by independent air-freight couriers for longer distance transport. The samples collected are transported to our laboratories via available airline, road and rail networks. Specimen shipments are transported under the required temperature-controlled conditions. We have a dedicated logistics team

that monitors, in real time, daily shipments from all locations, recording the status of the shipment from the time of collection of the specimen or sample, until it arrives at our laboratories and is tested and reported.

Testing procedures and reporting

Specimens are received in the Sample Receiving Area (“SRA”) of our laboratories. Specimens delivered to our laboratories must be accompanied by a test request form, which is typically completed by our onsite staff and indicates the test to be performed and the necessary demographic, medical and billing information. Each specimen and related request form is checked for completeness and then given a unique identification number and barcode at the collection points, which help control and manage the entire process from sample collection until the release of the test report.

Our SRA staff also inspects the sample for its adequacy for testing. If the specimen is found to be in order, it is sent to the Sample Distribution Area (“SDA”), where the sample is broken into aliquot portions and distributed to different departments, as needed. At each department the specimens are placed in specialized testing equipment that reads the sample barcode and retrieves pre-existing information in our Laboratory Information Management System (“LIMS”), including the specific test to be conducted. The process is automated, and once the equipment concludes the testing, the results are automatically uploaded into LIMS under the relevant barcode. The values from different departments are then combined in our system into one test report. If the values in the report are within the normal reference ranges, the report is auto-validated and uploaded onto our website for the patient to download. Reports containing values outside reference ranges are reviewed and cleared by our validation department prior to being authorized for uploading onto our website, or, if within a “panic range,” will be flagged for immediate follow-up with both the physician and patient. The validation department will also select certain results for retesting, such as a diagnosis of a patient being HIV-positive and abnormally high or low test values. Once the results are uploaded, referring physicians and healthcare professionals, laboratories, nursing homes, and other requesting entities, including the patient service center or clinical laboratory that collected the specific sample, also have access to the report online.

To facilitate additional tests, we may store certain specimens for a specified length of time, in accordance with our standard operating procedures. Pursuant to waste management agreements with authorized third parties, specimens are disposed of through a waste management system that complies with applicable environment and health and safety laws. For further details, see the section entitled “*Regulations and Policies*” on page 150.

Our Customers

The primary customer groups we service include individual patients, healthcare providers, diagnostic service providers that do not have the breadth of our testing capabilities and corporate customers.

Individual Patients

Individual patients collectively are our largest customer group. We bill patients on a fee-for-service basis and in accordance with our laboratories’ customer fee schedule.

Healthcare Providers

We provide diagnostics healthcare services to healthcare providers, including private laboratories, hospital laboratories, clinics, nursing homes, physicians and polyclinics. These healthcare providers have their own testing needs, and while some have onsite testing facilities to serve their patients, they often lack the resources, expertise or scale to conduct certain tests, and must consequently refer the testing to external diagnostic laboratories like ours. We bill healthcare service providers based on a fee schedule contractually agreed with each of them or at the otherwise standard rates applicable to the client. Healthcare providers are also a valuable source of indirect revenues generated through patient referrals, as we believe that they recognize our services to be reliable, cost-effective and efficient.

Hospital and Clinical Laboratory Management

We also generate revenue from the hospital and clinical laboratory management services we provide. Fees charged to hospitals and clinics for our laboratory management services are in accordance with individual management contracts entered into with each hospital we serve. See “—Business Operations — Our Network — Hospital and Clinical Laboratory Management.”

Corporations and Institutions

We serve other institutions, including corporate employers, insurance companies and government agencies. Corporate customers and other institutions typically pay on a negotiated fee-for-service basis. Our institutional contracts allow the employees of our corporate customers to access our diagnostic and preventive healthcare services as part of their compensation packages.

Sales and Marketing

We have a sales team of 486 personnel, who are divided into two Strategic Business Units (“SBUs”): one covering Delhi, certain states of North India and our international business, and the other covering the rest of India. Each SBU is headed by its own chief operating officer, who manages the following sales and marketing functions and teams:

- *Marketing.* We seek to utilize cost-efficient marketing to enhance our brand awareness and increase our patient base. Our main marketing activities are in the areas of medico marketing, retail marketing and digital medico marketing. Our medico marketing focuses on the promotion of our services in the medical and health services communities, primarily through the organization of webinars and continuing medical education initiatives. Our retail marketing aims to increase our walk-in and home collection patients mainly through creating awareness of our health check-ups and wellness initiatives and the convenience of our home collection services. We also continue to target corporate and institutional customers and continue to develop our business through social media and our online initiative.
- *Sales.* Each SBU operates with both a sales-operations team and a specialized sales force. The sales-operations team is responsible for the management of collections and logistics among the various operating units in our network, including our patient service centers and pickup points. The sales-operations team also collects on receivables from our network. The specialized sales force, on the other hand, focuses on developing relationships and business from specialized physicians. The specialized sales force devotes considerable attention to educating specialized healthcare professionals on the value of our various service offerings.

Quality Assurance

We have adopted a code of conduct for our clinical laboratories and other facilities designed to improve the processes for collection, handling, storage and transportation of patient specimens, as well as to assure accurate and timely test results and work environment of our employees in general. Our quality assurance efforts focus on positive patient identification of specimens, report accuracy, proficiency testing, reference range relevance and process audits for all of our clinical laboratories, patient service centers and pickup points. We also focus on credentials, training and competency of professional and technical staff, and we continue to implement initiatives to enhance our quality and standardization. In addition, some of our laboratories have achieved International Organization for Standardization, or ISO, certification for their quality systems. Our National Reference Laboratory has obtained ISO 9001:2008 certification (for the performance of routine and advanced diagnostic pathology testing services, including clinical trials), ISO 15189:2007 (for quality management in medical laboratories), ISO 15189:2012 certification (in the field of medical testing) and ISO 27001:2013 certification (for establishing an effective information management system that maintains and processes information security at our data center).

Our quality assurance team is led by our Head of Quality Control, who supports the quality, accreditation and training needs of our staff and generally oversees quality assurance processes. In addition to the elective and compulsory external inspections and proficiency testing programs required by the Government of India and other applicable regulatory agencies, we have systems and procedures in place to emphasize and monitor quality through

inter-laboratory comparisons, thereby helping to maintain reporting standards within our entire network of laboratories.

As part of our quality assurance program, we utilize internal proficiency testing, extensive quality control and rigorous process audits for our diagnostic information services. For example, we regularly test quality control samples with known values in parallel with the analysis of patient specimens. The results of tests on these quality control samples are monitored to identify trends, biases or imprecision in our analytical processes. This allows for real-time monitoring for any statistically and clinically significant analytical differences, and enables our medical technologists to take immediate and appropriate corrective action prior to release of a patient's results.

Many of our clinical laboratories participate in numerous externally administered quality surveillance programs, including the National Accreditation Board for Testing and Calibration Laboratories ("NABL")-prescribed program. Our National Reference Laboratory also is internationally accredited under the CAP-prescribed program. NABL is an autonomous body under the Department of Science and Technology, Government of India, established to create a scheme for third party assessment of the quality and technical competence of testing and calibration laboratories in India. The Government of India has authorized NABL as the sole accreditation body for testing and calibration laboratories. CAP is an independent, non-governmental organization of board-certified pathologists in the United States which offers an accreditation program to which laboratories voluntarily subscribe. Both programs involve on-site inspections of the laboratory and participation in their respective proficiency testing programs for all categories in which the laboratory is accredited. Both standards recognize the technical competence of medical laboratories, thereby providing a ready means for customers to find reliable testing and calibration services. As of June 30, 2015, 27 of our laboratories were accredited by the NABL in accordance with ISO 15189.

Quality control also encompasses other facets of our services, including turnaround time, patient satisfaction and billing. Using quality assessment techniques, our laboratories employ a variety of programs to monitor critical aspects of service to our customers.

The use of logistics and specimen tracking technology allows the timely transportation, monitoring, validation and storage of specimens. We aim to improve our ability to timely collect, transport and track specimens from patients and between our various laboratories and centers. See "*Business Operations — Logistics and Procedures*" on page 142 for additional information regarding our logistics system.

Information Technology

Our information technology systems serve our patients and help to ensure the efficiency of our business by monitoring our network's performance, refining resource allocation, helping us respond to changes in our markets, tracking consumption patterns and proactively directing patients to certain locations and services. We have a scalable information technology infrastructure designed to satisfy the requirements of our operations, to support the growth of our business and to help ensure the reliability of our operations as well as the security of customer information. The main components of our technology architecture include the following:

- *Laboratory Information Management System (LIMS).* LIMS stores and manages all clinical laboratory data, including all patient demographic and medical information. LIMS also allows us to track specimen collection, shipping and testing in real time. Our primary data center in connection with LIMS is centrally hosted at our National Reference Laboratory, and all of our clinical laboratories are connected directly to the main data center through real-time, point-to-point virtual private network (VPN) tunnels. Patient service centers and pickup points connect to our network via a third-party cloud service.
- *Enterprise Resource Planning (ERP) System.* Our ERP system has capabilities for the maintenance of records for accounts payable, accounts receivables and inventory, as well as banking and general ledgers. The system, which is hosted at our main data center, operates based on a centralized model with integration capabilities for new cloud-based applications. This ensures that the system is designed for scalability and connectivity, allowing us to grow our network while remaining connected via the cloud. This ERP system also allows us to better control our finances, inventory and purchasing through the provision of real-time data from our locations throughout India.

- *Privacy and Security of User Data.* We store patient data on our main data server, which has industry-standard authentication mechanisms and which is maintained by our own information technology staff. Our data center and network operations center have received ISO 27001:2013 accreditation for their information security management. When patients access their health information on our website, they do so through a password-protected encryption system.
- *Tailored Customer Program and Interface.* We offer our patients a convenient and interactive information technology platform to access medical reports. We have designed an interface where patients can view test reports immediately once available.
- *Data Collection and Analytics.* Through our systems and operations, we collect large amounts of patient demographic data and other medical information, which we hold in the form of electronic health records. From time to time, we analyze this data to determine, for example, how to improve our diagnostic services, what preventive and related healthcare services could be in high demand or what tests are commonly bundled by our patients. Although our data analytics initiative is in its early stages, we hope that it will, in time, help create efficiencies, reduce costs and continue to improve the quality of our services.
- *Data Recovery.* Our data recovery site is located in Mumbai and is operated and maintained by a third-party service provider. This system works on two levels: (i) real-time movement of data to our data recovery site, if necessary and (ii) complete system restoration using backup files that are created on a daily basis in our main data center.

Suppliers

We typically rent diagnostic equipment and instruments from various vendors under reagent rental arrangements. Our key suppliers are the manufacturers of automated analyzers, reagents and diagnostic kits. Our reagent supply agreements typically include minimum purchase levels for each month that we are required to meet, and also include volume discounts if we exceed our minimum requirements by a specified amount. We also purchase some diagnostic equipment, primarily for routine testing, when the equipment is not available under a reagent rental basis and/or when reagent rental arrangements for such equipment are less cost-effective. We believe that we have good working relationships with all of our key suppliers.

Equipment Maintenance

The timely and effective maintenance of our equipment and instruments is essential for the efficient operation of our diagnostic equipment. Rented equipment under reagent rental arrangements are maintained by the vendors in accordance with the terms of our agreed service level agreements. In addition, we recalibrate instruments regularly in accordance with the manufacturers' recommendations and schedule. Purchased equipment typically has a 12-month supplier warranty for any defects, malfunctions and any required repairs required. We also have annual maintenance contracts or comprehensive maintenance contracts for most of our analyzers with the respective manufacturers or their authorized dealers. Pursuant to the terms of annual maintenance contracts, the manufacturer or dealer is responsible for the maintenance and repair of the analyzers. A comprehensive maintenance contract, in addition, obliges the manufacturer or dealer to replace spare parts at its own cost.

Research and Development

Our research and development division seeks to expand on our existing test menu and improve our diagnostic procedures, in order to improve sensitivity, specificity, time or costs as compared to available conventional tools. We also intend to continue to invest in advanced testing capabilities, in order to provide the latest technologies in diagnostic laboratory testing. We have added, and expect to continue to add, new testing technologies and capabilities through a combination of internal development initiatives, technology licensing and partnership transactions. Our Scientific Advisory Committee meets periodically to evaluate the potential adoption of new technologies or the indigenization of existing ones, with the aim of maintaining our high-quality standards at low cost.

Competition

The clinical laboratory business is highly competitive. According to CRISIL Research, some of the major diagnostic laboratory services providers in India currently include: our Company, Fortis/SRL, Metropolis, and Thyrocare. In addition, we compete with many smaller, independent clinical and anatomical laboratories as well as laboratories owned by hospitals and physicians. For further information regarding the highly competitive nature of our industry, see the sections entitled *“Industry Overview—Indian diagnostics industry—Intense competition in the industry”* and *“Industry Overview—Indian diagnostics industry—Key risks—Intense competition”* on pages 127 and 129.

We believe that, in selecting a diagnostic healthcare service provider, patients often take into account many factors, including the following:

- reputation of the laboratory among patients and the medical community;
- accuracy, timeliness and consistency in reporting test results;
- service capability, quality and convenience offered by the laboratory;
- pricing of the clinical laboratory’s services;
- range of diagnostic tests performed by the provider; and
- ability to exercise quality control throughout the testing process.

We believe that we compete favorably with our principal competitors in each of the above and other factors. We also believe that our broad diagnostic testing menu provides us with a competitive advantage within the diagnostic services industry in India that enables us to compete on bases beyond price.

In addition, we believe that larger diagnostic companies, like us, are better able to increase their shares of the overall clinical testing market due to their large service networks and lower cost structures. We believe that these advantages should enable us to more effectively serve our patients. However, a significant portion of diagnostic testing is likely to continue to be performed by hospitals and smaller-scale laboratories. As a result, we will continue to compete against hospital-affiliated and other laboratories, including on the bases of pricing, service capability and quality.

The diagnostic services industry is faced with changing technology and new product introductions. Advances in technology may lead to the development of more cost-effective tests that can be performed outside of a diagnostic laboratory such as point-of-care tests that can be performed by physicians in their offices, complex tests that can be performed by hospitals in their own laboratories and home testing that can be carried out without requiring the services of diagnostic laboratories. Some of our competitors may now or in the future have access to greater financial resources than we do and may have access to newer, more advanced equipment. Developments of such technology and its use by our customers would reduce the demand for our laboratory testing services and negatively impact our revenues. See the section entitled *“Risk Factors—Internal Risk Factors—Risks Relating to Our Company—Failure to acquire new diagnostic healthcare equipment and technologies could adversely affect our business, financial condition, results of operations and prospects”* on page 26.

Intellectual Property

We have obtained 12 registered trademarks under various classes, which include the trademarks for “Dr. Lal PathLabs”, “Dr. Lal PathLabs Diagnostic Centre”, and the “Dr. Lal PathLabs (logo)”, our material intellectual property, and we also currently have eight copyright registrations. We have also applied for registration of 36 trademarks under various classes associated with our brand, such as “Dr. Lal” and “Dr. Lal PathLabs – Institute of Laboratory Medicine.” Additionally, we have registered in India the trademarks of Paliwal Diagnostics, Paliwal

Medicare and Haldwani Diagnostics. For further details, see the section entitled *“Government and Other Approvals – Intellectual property related approvals”* on page 374.

In addition, pursuant to the Scheme of Amalgamation, whereby our wholly owned subsidiaries, Sanya Chemicals Private Limited, Amolak Diagnostics Private Limited, Medex Healthcare Private Limited, Medicave Diagnostic Centre Private Limited and Medicave Medical Systems Private Limited, have been amalgamated with our Company, the intellectual property of these subsidiaries would be transferred to our Company. For further details, see the sections entitled *“History and Certain Corporate Matters”* and *“Government and Other Approvals”* on pages 157 and 366, respectively.

Given our reliance upon the “Dr. Lal PathLabs” brand name, our inability to maintain or enforce our intellectual property rights would have a material and adverse effect on the reputation of our brand and, in turn, our results of operations and prospects. For further details on associated risks, see the section entitled *“Risk Factors—Internal Risk Factors—Risks Relating to Our Company—We may be unable to obtain, maintain or enforce our intellectual property rights and may be subject to intellectual property litigation that could adversely impact our business”* on page 28.

Environmental, Health and Safety matters

We are subject to Indian laws and regulations relating to the protection of the environment and human health and safety and laws and regulations relating to the handling, transportation and disposal of medical specimens, infectious and hazardous waste and radioactive materials. All our laboratories are subject to applicable laws and regulations relating to biohazard disposal of all laboratory specimens. For further details, see the section entitled *“Regulations and Policies”* on page 150.

Corporate Social Responsibility

In our efforts to make a positive difference to Indian society, we will seek to undertake corporate social responsibility initiatives with a focus on health, well-being and contributing to overall healthcare in India. The Ministry of Corporate Affairs, India has notified Section 135 and Schedule VII of Companies Act 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 which came into effect from April 1, 2014. In compliance with these guidelines and rules, our board of directors has constituted a Corporate Social Responsibility Committee, and also formed a corporate social responsibility policy to govern such initiatives. For additional information regarding our actions regarding Corporate Social Responsibility, see the section entitled *“Our Management—Corporate Governance—Corporate Social Responsibility Committee”* on page 183.

Employees

As of June 30, 2015, we had 3,219 full-time employees and 84 full-time consultants, including pathologists, phlebotomists and radiologists, located in India. Our laboratories are manned by qualified scientific staff and supervised by a team of pathologists with specializations in relevant fields of laboratory medicine or radiology.

We have engaged members of the Ernakulam Shops and Commercial Employees Union as employees for our operations at Cochin, Kerala pursuant to a memorandum of settlement last entered into on June 30, 2015, for a period of three years, with respect to wages, bonus and other service conditions of the member employees. We have not experienced any material strikes, work stoppages, labor disputes or actions by or with our employees, and we consider our relationship with our employees to be sound.

We provide training for our employees both as a commitment to their career development and to help ensure quality service to our patients. We have established a training and career development system to address several aspects of employee training, from basic training for new personnel, continuous training through online learning and distance education, to technical and managerial development courses.

Insurance

The substantial majority of our clinical laboratories, other facilities and corporate offices are insured against fire and certain special perils, including earthquake and terrorism damage. We also have various other insurance policies covering equipment and machinery damage, money-transit, fidelity guarantee and statutory employee liability insurance, business interruption at our facilities resulting from various perils, all risks relating to information systems equipment (including losses caused by electrical breakdowns), burglary causing loss of inventory and workers' compensation. We have also obtained "key man" insurance for (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal, our Promoters, in addition to director, officer and professional liability insurance policies. There are no significant or unusual excess or deductible amounts required under such policies. See the section entitled "*Risk Factors—Internal Risk Factors—Risks Relating to Our Company— Our insurance cover may be inadequate to fully protect us from all losses*" on page 28.

We believe that our insurance coverage is of the type and in the amounts commensurate with the nature and scope of our operations.

Property

Our Registered Office, covering an area of approximately 11,805 square feet, has been leased from Eskay House (HUF), our Promoter, on a perpetual basis pursuant to a lease deed dated June 1, 2008. We have also obtained on lease premises of approximately 18,466 square feet for our Corporate Office from various parties, which are leased through January 2023.

Pursuant to a perpetual lease dated April 8, 2005, and covering an area of approximately 3,717 square meters, the land and building for our National Reference Laboratory situated at Rohini, New Delhi, were granted to our Company by the Delhi Development Authority ("DDA"), with effect from April 28, 2004, for the construction of our National Reference Laboratory. Further, pursuant to a perpetual lease deed dated December 29, 2014, we have been granted land in New Town, Kolkata, covering an area of approximately 1,500 square meters, by the West Bengal Housing Infrastructure Development Corporation Limited, for construction of our regional reference laboratory in Kolkata. The majority of our clinical laboratories and other business premises, including patient service centers and local corporate offices, are leased. Typically, our leases range from five to nine years.

REGULATIONS AND POLICIES

Our Company provides diagnostic and related healthcare services in India. We are regulated by a number of central and state legislations. Additionally, our functioning requires the sanction of concerned authorities, at various stages, under relevant legislations and local by-laws.

The following is an overview of certain sector-specific Indian laws and regulations which are relevant to our operations of our Company. The information detailed in this chapter has been obtained from publications available in public domain. The description of laws and regulations set out below is not exhaustive, and is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Regulations pertaining to the diagnostics industry

The Clinical Establishments (Registration and Regulation) Act, 2010 (“CERR Act”)

The CERR Act provides for registration and regulation of clinical establishments and prescribes minimum standards for facilities and services provided by them. Currently, the CERR Act is in effect in the States of Arunachal Pradesh, Himachal Pradesh, Mizoram, Sikkim, Uttar Pradesh, Rajasthan, Bihar, Uttarakhand and Jharkhand and all Union Territories except Delhi (“**Notified Areas**”). Additionally, the States of Bihar, Jharkhand, Uttarakhand, Himachal Pradesh, Arunachal Pradesh and Sikkim, and Union Territories of Puducherry, Dadra & Nagar Haveli, Daman & Diu and Andaman & Nicobar Islands have framed rules applicable to their respective states under the CERR Act, prescribing *inter alia* the powers of registration authority, procedure for registration of clinical establishments and applicable fee.

The CERR Act defines a “clinical establishment” to include *inter alia* a place established in connection with the diagnosis or treatment of diseases where pathological, bacteriological, genetic, radiological, chemical, biological investigations or other diagnostic or investigative services with the aid of laboratory or other medical equipment, are usually carried.

While draft minimum standards under the CERR Act for various services to be provided by, and application formats for permanent registration of, clinical establishments have been made publicly available, these are yet to be notified in the Official Gazette. In the interim, clinical establishments in Notified Areas are required to apply for provisional registration under the CERR Act within six months of establishment, irrespective of prior registration under any other applicable laws, which would be valid for an initial period of 12 months, subject to renewal for time periods as prescribed under the CERR Act. Permanent registration shall only be applied for and granted if the clinical establishment meets the prescribed standards for registration under the CECG Rules, once notified. Unless revoked on account of contravention of any provisions of the CERR Act or CECG Rules, such registration would be valid for a period of five years and may be renewed pursuant to an application made within six months before the expiry of the permanent registration.

The Clinical Establishments (Central Government) Rules 2012 (“CECG Rules”)

The Ministry of Health and Family Welfare, Government of India by a notification dated May 23, 2012 brought into force the CECG Rules, which are applicable to the states wherein the CERR Act is in operation. The CECG Rules *inter alia*, provide conditions for registration and continuation of clinical establishments. In terms of CECG Rules, clinical establishments are required to display the rates for each type of services in vernacular and English language, the rates to be charged are ought to be within the range as determined by the Central Government, the clinical establishments are required to ensure compliance with standard treatment guidelines as determined and issued by the Central Government or the State Governments as the case may be, clinical establishments are required to maintain electronic records of every patient. Additionally, clinical establishments are also required to maintain information and statistics in accordance with the CECG Rules.

Additionally, States of Bihar, Jharkhand, Uttarakhand, Himachal Pradesh, Arunachal Pradesh and Sikkim, and Union Territories of Puducherry, Dadar & Nagar Haveli, Daman & Diu and Andaman & Nicobar Islands have framed rules applicable to their respective states under the CERR Act, prescribing *inter alia* the powers of registration authority, procedure for registration of clinical establishments and applicable fee.

Certain states/union territories which are governed by other legislations for regulation of clinical establishments or nursing homes, wherein the CERR Act is not applicable, are as follows:

- (i) Haryana Clinical Establishments (Registration and Regulation) Act, 2014;
- (ii) The Andhra Pradesh Private Medical Care Establishments (Registration and Regulation) Act, 2002;
- (iii) The Bombay Nursing Homes Registration Act, 1949;
- (iv) The Delhi Nursing Homes Registration Act, 1953;
- (v) The Jammu and Kashmir Nursing Homes and Clinical Establishment (Registration and Licensing) Act, 1963;
- (vi) The Madhya Pradesh Upcharya Griha Tatha Rujopchar Sanbabdu Sthapamaue (Ragistrikaran Tatha Anugyapan) Adhiniyam, 1973;
- (vii) The Manipur Homes and Clinics Registration Act, 1992;
- (viii) The Nagaland Health Care Establishments Act, 1997;
- (ix) The Orissa Clinical Establishments (Control and Regulation) Act, 1990;
- (x) The Punjab State Nursing Home Registration Act, 1991; and
- (xi) The West Bengal Clinical Establishments Act, 1950.

The Preconception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 as amended (“PCPNDT Act”)

The PCPNDT Act prohibits sex selection, before or after conception; regulates use of pre-natal diagnostic techniques for the purposes of detecting genetic abnormalities or metabolic disorders or chromosomal abnormalities or certain congenital malformations or sex-linked disorders; and provide for prevention of their misuse for sex determination leading to female foeticide. The PCPNDT Act prohibits any person, organisation, genetic counselling centre, laboratory or clinic from issuing, publishing or distributing any advertisement regarding availability of facilities of pre-natal determination of sex and from employing any person who does not possess the prescribed qualifications. The PCPNDT Act mandates genetic counselling centres, genetic laboratories or genetic clinics to be registered failing which penal action could be initiated against them. The central supervisory board constituted under the PCPNDT Act is authorised to lay down a code of conduct for persons working in any genetic counselling centre, laboratory or clinic. Appropriate authority appointed by Central and respective State Government are conferred powers *inter alia* to grant, suspend or cancel the registration of a genetic counselling centre, laboratory or clinic, enforce standards, investigate complaints and take necessary legal action.

The Preconception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Rules, 1996 as amended (“PCPNDT Rules”)

The PCPNDT Rules prescribe minimum qualifications of employees, equipment and places for a genetic counselling centre, laboratory and clinic. The PCPNDT Rules stipulate the format in which an application for registration should be made by such centre, laboratory or clinic before the appropriate authority appointed under the PCPNDT Act and lays down the manner in which records are to be maintained and preserved by such genetic counselling centre, laboratory or clinic. The PCPNDT Rules provide for code of conduct and conditions to be followed by owners, employees or any other persons associated with a genetic counselling centre, laboratory and clinic registered under the PCPNDT Act. The PCPNDT Rules further require every genetic counselling centre, laboratory and clinic to intimate every change of employee, place, address and equipment installed, to the appropriate authority within the time prescribed and preserve such information as permanent records.

The Atomic Energy Act, 1962 as amended (“AE Act”)

The AE Act aims to ensure safe disposal of radioactive waste and secure public safety, including that of persons handling radioactive substances. The AE Act empowers the Central Government to *inter alia*:

- (i) Prohibit the manufacture, possession, use, and transfer by sale or otherwise, export and import and in any emergency, transport and disposal, of any radioactive substances without its written consent;
- (ii) require any person to make periodical returns or other such statements as regards any prescribed substance in a person's possession or control that can be a source of atomic energy; and
- (iii) In order to prevent radiation hazards, secure public safety and safety of persons handling radioactive substances or radiation generating plants, ensure safe disposal of radioactive wastes at such premises.

The Atomic Energy (Radiation Protection) Rules, 2004 (“AERP Rules”)

The AERP Rules stipulate that every person intending to use any radioactive material for any purpose, in any location and in any quantity has to comply with the requirements of AE Act. The AERP Rules mandate every person handling radio-active material to apply for a license which may be subsequently modified, revoked or withdrawn at the discretion of the competent authority which is the Atomic Energy Regulatory Board (“AERB”) unless exempted under AERP Rules. The license shall be valid for a period of five years from the date of its issue. The power of AERB extends to notifying appropriate radiation surveillance procedures, requisitioning medical records of workers and ensuring rehabilitation of affected workers. The AERP Rules lay down various compliance measures *inter alia* as regards maintenance of radiation protection equipment and health surveillance of workers. AERP Rules also prescribe certain general safety guidelines, directives for emergency preparedness and accidents. The AERP Rules require radiation symbol or warning sign to be conspicuously and prominently displayed at all times on the radiation equipment and at the entrance of the room housing such equipment. The AERP Rules confer power upon the AERB to issue safety codes, safety standards and prescribe the requirements for radiation installation, sealed sources, radiation generating equipment and equipment containing radioactive sources, and transportation of radioactive material. The licensee has to ensure compliance with such standards and requirements. Every employer with the written approval of AERB is required to appoint a radiological safety officer who would ensure the safety of workers, safe storage and movement of radioactive material and report the loss or leakage of any radioactive material to the competent authority. The AERB has been vested with wide powers under AERP Rules for conducting inspections of premises, radiation installations and conveyances. Violations of either AERP rules or the terms of license shall be punishable with imprisonment or fine or both.

The Atomic Energy (Safe Disposal of Radioactive Wastes) Rules, 1987 (“AE Rules”)

The AE Rules have been framed to ensure safe disposal of radioactive wastes. A person can dispose radioactive wastes only after obtaining authorisation from the competent authority as per the procedure laid down in the AE Rules and in accordance with the terms and conditions including location and quantity of disposable as specified in such authorisation. The competent authority constituted under AE Act can suspend, cancel authorisation in event when the authorised person fails to comply with conditions of the authorisation or with any provisions of the AE Act or the AE Rules. The AE Rules lay down specific duties for the authorised person and various safety measures to be adhered to discharging radioactive waste and procedure to be followed in the event of accidental release.

Atomic Energy Regulatory Board - Safety Code for Medical Diagnostic X-Ray Equipment and Installation dated October 5, 2001 as amended (“X-ray Code”)

The X-ray Code governs radiation safety in design, installation and operation of x-ray generating equipment for medical diagnostic purposes. Pursuant to the X-ray Code medical diagnostic x-ray equipment and protective devices are required to be operated in accordance with the requirements outlined and it is the responsibility of the employer/owner of medical X-ray installation equipment to ensure compliance with the statutory provisions. The X-ray Code mandates that only medical X-ray equipment which is of the type approved by AERB is to be installed for use. The purchase, transfer, gift, leasing or loan of X-ray equipment shall be registered with AERB by the person acquiring the equipment. Further, no diagnostic X-ray equipment shall be operated unless the licensee obtains license and/or registration from AERB. Non-compliance with the regulatory requirement set forth in the X-ray Code shall be punishable with imprisonment or fine or both.

Atomic Energy Regulatory Board -Safety code on Nuclear Medicine Facilities dated November 4, 2010 (“Nuclear Medicine Code”)

The Nuclear Medicine Code stipulates requirements of radiation safety in handling of radioactive materials for nuclear medicine facilities. Pursuant to the Nuclear Medicine Code, diagnostic and therapeutic procedures using unsealed radioisotopes are to be carried out only in facilities approved by the AERB and such facilities cannot be commissioned until approval to commence is received from AERB. The Nuclear Medicine Code mandates that nuclear medicine facilities should not be located in residential buildings and such facilities are to ensure compliance with specified regulatory requirements. The Nuclear Medicine Code requires active rooms, wards and areas of source storage and handling to be marked with radiation symbol and to provide a legend denoting active area and presence of a radiation hazard. The Nuclear Medicine Code mandates employers to designate with the approval of a competent authority, a person having prescribed qualifications to function as a radiological safety officer, who shall be a full time employee. The Nuclear Medicine Code embeds requirement of emergency preparedness plan outlining emergency response actions.

Radiation Surveillance Procedures for Medical Applications, 1989 (“RSPM Notification”)

The RSPM Notification was promulgated under rule 15 of the Radiation Protection Rules, 1971 to ensure that procedures and installations involving radiation, radiation equipment and radioactive material are conducted in a manner that provide adequate protection against the hazards of radiation. In the light of the RSPM Notification, any person desirous of handling any radioactive material or radiation equipment has to approach the competent authority for prior permission in the form of either a license or an authorisation. The RSPM Notification provide safety guidelines as regard to certain key aspects such as the design safety of equipment, planning of radiation instalments, commissioning of radiation equipment and isolation and disposal of radioactive effluents or damaged radioactive material. The RSPM Notification stipulates adherence to working conditions in a medical radiation installation formulated by the competent authority in this regard. The RSPM Notification holds an employer directly responsible for effective implementation of surveillance procedures. However, the RSPM notification is yet to be issued under the Atomic Energy (Radiation Protection) Rules, 2004.

National Accreditation Board for Testing and Calibration Laboratories (“NABL”)

The NABL is an autonomous body established under the aegis of Department of Science and Technology, Government of India. NABL provides government, regulators and the diagnostic industry with a scheme of laboratory accreditation through third-party assessment for formally recognising the quality and technical competence of the testing and calibration of laboratories in accordance with International Organisation for Standardization Standards. NABL certification is a mandatory eligibility condition for diagnostic centres empanelment under the Central Government Health Scheme. Diagnostic laboratories which are not accredited by NABL may also participate in application and get empanelled under the Central Government Health Scheme but their empanelment shall be provisional till they are inspected by Quality Council of India or NABL, and are recommended for continuation of empanelment under the Central Government Health Scheme; however there is no legal obligation to obtain certification from the NABL.

Guidelines relating to import of blood samples

The “Guidelines for Exchange of Human Biological Material for Biomedical Research Purposes” issued by the Central Government on November 19, 1997 authorises the Indian Council of Medical Research (“ICMR”) to set up a committee for consideration of proposals relating to import of biological materials, such as blood samples, for commercial purposes. Pursuant to these guidelines, ICMR has issued the “Guidance on Transfer of Human Biological Material for Commercial Purposes” (“ICMR Guidance”). In accordance with the ICMR Guidance, applications for import of blood samples are required to be made to the ICMR for onward consideration by a committee. Applicant companies are required to comply with *inter alia* the “Guidance on Regulations for the Transport of Infectious Substances (2013-2014)” and “Laboratory Biosafety Manual – 2004”, issued by the World Health Organization, United Nations, class (6.2) specifications for packing instructions, and the Environment Protection Act, 1986, along with the rules framed thereunder.

Consumer Protection Act, 1986, as amended (“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, *inter alia*, 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/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.

Environmental laws and regulations

Environment Protection Act, 1986 as amended (“Environment Act”)

The Environment Act is an umbrella legislation designed to provide a framework for the Central Government to co-ordinate activities of various state and central authorities established under previous environmental laws. The Environment Act specifies that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environment pollutants in excess of such standards as may be prescribed. The Environment Act empowers the Central Government to make rules for various purposes viz., to prescribe:

- (i) the standards of quality of air, water or soil for various areas;
- (ii) the maximum allowable limits of concentration of various environmental pollutants for different areas;
- (iii) the procedures and safeguards for the prevention of accidents which may cause environmental pollution and remedial measures for such accidents.

Environment (Protection) Rules, 1986, as amended, (“Environment Rules”)

In the exercise of powers conferred under Environment Act, the Central Government has framed the Environment Rules. Pursuant to Environment Rules, every person who carries on an industry, operation or process requiring consent under Water Act or Air Act or shall submit to the concerned SPCB, an environmental statement for that financial year in the prescribed form.

Bio-Medical Waste (Management and Handling) Rules, 1998, as amended (“BMW Rules”)

The Central Government has framed the BMW Rules, pursuant to the rule making power conferred under the Environment Act. The BMW Rules apply to persons generating, collecting, receiving, storing, transporting, treating, disposing or handling bio-medical waste in any form including hospitals, clinics and pathological laboratories. The BMW requires an occupant of an institution generating bio-medical waste to take steps to ensure that such waste is handled without any adverse effect to human health and the environment. The BMW Rules regulates modes of treatment and disposal of “bio-medical waste” which is defined as any waste generated during diagnosis, treatment or immunisation of human beings or animals or in research activities pertaining thereto or in the production or testing of biologicals, as defined in the BMW Rules. The BMW Rules require every occupier of an institution handling bio-medical waste in any form and providing services to more than 1000 patients per month, to obtain an authorisation from the prescribed authority. The BMW Rules require such authorised person to submit an annual report and an accident report to the prescribed authority and maintain relevant records. However, the prescribed authority may cancel, suspend or refuse to renew an authorisation, if for reasons to be recorded in writing, the occupier/ operator has failed to comply with any of the provisions of Environment Act or BMW Rules.

Regulations regarding foreign investment

Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999 (“**FEMA**”) read with the applicable FEMA Regulations. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The Department of Industrial Policy and Promotion (“**DIPP**”), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through Press Notes and Press Releases which are notified by the RBI as amendments to the FEMA Regulations. In case of any conflict, the FEMA Regulations prevail. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, clarifications among other amendments. The DIPP issued consolidated FDI policy circular of 2015, dated May 12, 2015 (the “**FDI Circular**”) which consolidates the policy framework on FDI issued by DIPP, which were in force as on May 11, 2015 and reflects the FDI Policy as on May 12, 2015. The FDI Circular is in effect from May 12, 2015. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP.

Capital instruments are required be issued within 180 days from the date of receipt of the inward remittance received from non-resident investor. In the event that, the capital instruments are not issued within 180 days from the date of receipt of the inward remittance, the amount of consideration so received has to be refunded immediately to the non-resident investor by outward remittance. Non-compliance with the above provision would be considered as a contravention under FEMA and would attract penal provisions.

Laws relating to intellectual property

The Trade Marks Act, 1999 as amended (“Trademark Act”)

In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits registration of trademarks for goods and services. The Trademark Act statutorily protects trademarks and prevents use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademark Act. An application for trademark registration can be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future.

Applications for a trademark registration can be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. The mark lapses in ten years unless renewed. The Trademark (Amendment) Act, 2010 allows Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. The Trademark (Amendment) Act, 2010 simplifies the law relating to transfer of ownership of trademarks by assignment or transmission and to bring the law generally in line with international practice.

The Patents Act, 1970 as amended (“Patents Act”)

The Patents Act governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognise product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act stipulates that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The Patents Act prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is twenty years from the date of filing of the application for the patent.

Laws relating to employment

Shops and commercial establishments legislations

A number of states including Delhi, West Bengal, Punjab & Haryana, Karnataka and Bihar have passed laws for regulating shops and commercial establishments. Shops and commercial establishments legislations are enacted in various states to amend and consolidate laws relating to the regulation of working hours, payment of wages, leave,

holidays, terms of service and other conditions of work of persons employed in shops, commercial establishments, establishments for public entertainment or amusement and other establishments. Shops and commercial establishments legislations stipulate that no establishment can conduct such business without obtaining a registration from the appropriate authority. Shops and commercial establishments governed under these legislations have to exhibit a notice setting forth the days of week for which they are closed and the number of working hours in a week. Contraventions to provisions of shops and commercial establishments legislations may entail punishment such as imprisonment along with monetary penalty.

Other employment regulations

Certain other laws and regulations that may be applicable to our Company in India include the following:

- (i) Apprentices Act, 1961;
- (ii) Contract Labour (Regulation & Abolition) Act, 1970;
- (iii) Employees Compensation Act, 1923;
- (iv) Employees Provident Funds and Miscellaneous Provisions Act, 1952;
- (v) Employees State Insurance Act, 1948;
- (vi) Equal Remuneration Act, 1976;
- (vii) Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- (viii) Minimum Wages Act, 1948;
- (ix) Public Liability Insurance Act, 1991
- (x) Payment of Bonus Act, 1965;
- (xi) Payment of Gratuity Act, 1972;
- (xii) Payment of Wages Act, 1936;
- (xiii) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- (xiv) The Industrial Disputes Act, 1947;
- (xv) The Maternity Benefit Act, 1961; and
- (xvi) Trade Unions Act, 1926.

Laws relating to taxation

The tax related laws that are applicable to us include the Value Added Tax as enacted by the states, the Income Tax Act 1961, the Customs Act 1962, the Central Sales Tax Act 1956 and various rules and notifications issued by taxation authorities.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Late Dr. Major S.K. Lal, commenced the business of providing pathology services and maintaining a blood bank in the year 1949 through sole proprietorship M/s Central Clinical Laboratory and M/s Blood Bank Transfusion Centre. The business of diagnostic and related healthcare tests and services now continues to be provided by our Company.

Subsequently, Late Dr. Major S.K. Lal and (Hony.) Brig. Dr. Arvind Lal entered into a partnership under the name 'Central Clinical Laboratory', pursuant to a partnership deed dated March 21, 1975, with the partnership deemed to have commenced from December 1, 1974. The partnership firm was formed to provide pathology services under the name 'Central Clinical Laboratory' and to maintain a blood bank for the supply of blood to patients and hospitals under the name 'Blood Transfusion Centre', both to be undertaken at the Registered Office of our Company. On December 5, 1977, following the demise of Late Dr. Major S.K. Lal, Late Ms. Vimla Lal, wife of Late Dr. Major S.K. Lal, was inducted into the partnership with (Hony.) Brig. Dr. Arvind Lal. Following Late Ms. Vimla Lal's demise, Dr. Vandana Lal was inducted into the partnership by a deed of partnership dated January 2, 2007. Accordingly, as on date, Central Clinical Laboratory is a 50:50 partnership between Dr. Vandana Lal and (Hony.) Brig. Dr. Arvind Lal.

Our Company was incorporated as 'Dr. Lal PathLabs Private Limited', a private limited company under the Companies Act, 1956, with a certificate of incorporation granted by the RoC on February 14, 1995 at Delhi. The business of the partnership firm Central Clinical Laboratory is now undertaken by our Company, while Central Clinical Laboratory does not undertake any business operations.

Our Company was converted into a public company pursuant to a special resolution of the shareholders of our Company at an EGM held on August 7, 2015. Consequently, the name of our Company was changed to 'Dr. Lal PathLabs Limited' and a fresh certificate of incorporation pursuant to the change of name was granted by the RoC on August 19, 2015.

Business and management

For a description of our activities, services, market segments, the growth of our Company, foreign operations, the standing of our Company with reference to prominent competitors in connection with our services, management, major suppliers and customers, environmental issues, geographical segment etc., see the sections titled "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Government and Other Approvals*" on pages 134, 335 and 366, respectively. For details of the management of our Company and its managerial competence, see the section titled "*Our Management*" on page 170.

Changes in Registered Office

There has been no change in our Registered Office since the incorporation of our Company.

Our main objects

The main objects of our Company as contained in our Memorandum of Association are:

1. To set up, engage, collaborate, acquire, purchase, maintain, open collection centres, conduct, manage, administer, own, run laboratories for the purposes of carrying out pathological investigations of various branches of bio-chemistry haematology, histopathology, microbiology, electrophoresis, immuno-chemistry, immunology, virology, cytology and other pathological investigations;
2. To carry on the business of rendering services for sending, receiving within or outside India, for pathological investigation purposes, human blood, blood products, plasma, serum, body fluids, tissues, drugs, powder etc.; and

3. To carry on the business of manufacture, importers, exporters, stockiest, consignment agents, sole selling agents, commission agents, dealers in all kinds of pathological sachets, equipments, disposable syringes, life saving devices, drugs and pharmaceutical, medical and chemical preparations used for human beings.

The main object clause and objects incidental or ancillary to the main objects of the Memorandum and Articles of Association enable our Company to undertake its existing activities.

Amendments to our Memorandum of Association

Since the incorporation of our Company the following changes have been made to our Memorandum of Association:

Date of change/ shareholders' resolution	Nature of amendment
January 27, 1997	The initial authorised share capital of our Company of ₹ 1 million comprising 10,000 equity shares of ₹ 100 each was increased to ₹ 10 million divided into 100,000 equity shares of ₹ 100 each.
June 26, 2003	The authorised share capital of our Company was increased to ₹ 50 million divided into 500,000 equity shares of ₹ 100 each.
September 20, 2007	The authorised share capital of our Company was increased to ₹ 75 million divided into 500,000 equity shares of ₹ 100 each and 250,000 preference shares of ₹ 100 each.
September 28, 2013	The authorised share capital of our Company was increased to ₹ 825 million divided into 5,500,000 equity shares of ₹ 100 each and 2,750,000 preference shares of ₹ 100 each.
March 27, 2015	The authorised share capital of our Company was altered by way of sub-division of each equity share and preference share of ₹ 100 each into 10 equity shares or 10 preference shares, as the case may be, of ₹ 10 each, with our resultant authorised share capital being ₹ 825 million divided into 55,000,000 Equity Shares of ₹ 10 each and 27,500,000 Preference Shares of ₹ 10 each.
August 7, 2015	Amendment of memorandum of association upon conversion of our Company from a private limited company to a public limited company and the consequent change in name of our Company to 'Dr. Lal PathLabs Limited'. A fresh certificate of incorporation pursuant to the change of name was granted by the RoC on August 19, 2015.
August 7, 2015	The authorised share capital of our Company was increased to ₹ 970 million divided into 69,500,000 Equity Shares of ₹ 10 each and 27,500,000 Preference Shares of ₹ 10 each.

**We have recently amalgamated five of our former wholly owned subsidiaries, pursuant to which our authorised share capital may be subject to increase. For further details see the sections titled "Risk Factors – The recent amalgamation of our former subsidiaries with our Company is yet to be taken on record by the RoC" and "History and Certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets" on pages 35 and 160, respectively.*

Total Number of shareholders of our Company

As on the date of this Draft Red Herring Prospectus, our Company has 18 holders of Equity Shares and 3 holders of Preference Shares. For further details on the shareholding of our Company, see the section titled "Capital Structure" on page 71.

Awards and accreditations

Calendar Year	Accreditations
2001	Received the ISO 9001:2008 certification for the quality management system for performance of routine and advanced diagnostic pathology testing services, including in clinical trials.
2002	Fully accredited by the College of American Pathologists' Laboratory Accreditation Program.
2008	Awarded the CNBC TV18 Emerging India Award 2008 by ICICI Bank Business Banking in the pharmaceuticals and chemicals category.
2010	Franchisor of the Year in healthcare, at the Franchise Plus Awards.
2010	Honourable mention in the healthcare category at the Milagrow Trailblazers Brand Innovator Awards.
2012	Diagnostic Service Provider Company of the Year, by Frost & Sullivan at the 4 th Annual India Healthcare Excellence Awards.
2012	Named a Computerworld Honours Laureate by the Computerworld Honours Program for innovative use of information technology to conduct research, develop new diagnostic methods and services and improve

Calendar Year	Accreditations
	quality and access of patients to healthcare.
2013	Best Diagnostic Company in India at the VC Circle Healthcare Summit.
2014	Received the ISO 27001:2013 certification for the information management system for providing data center services and supporting functions.
2014	Received an NABL certificate of accreditation under standard ISO 15189:2012 for “Medical Laboratories – Requirements for Quality and Competence” for medical testing, for National Reference Laboratory.
2015	Data Quest Technology Award for Excellence in the implementation and use of technology for business benefits in the ‘Cloud’ category.
2015	Received the certificate of affiliation from the Healthcare Sector Skill Council for role as medical laboratory technician in relation to institute at Gurgaon, Haryana, India.

Major events and milestones

The table below sets forth some of the major events in the history of our Company:

Calendar Year	Details
2005, 2007	Investment by WestBridge I Investments Holdings.
2008	Acquisition of Paliwal Medicare Private Limited and Paliwal Diagnostics Private Limited.
2010	Establishment of our National Reference Laboratory.
2010, 2013	Investment pursuant to purchase of shares by Wagner Limited from WestBridge I Investment Holdings.
2013	Investment pursuant to purchase of shares by WestBridge Crossover Fund, LLC from WestBridge I Investment Holdings.
2013	Investment by SIH.
2014	Acquisition of APL Clinical Institute of Clinical Laboratory & Research Private Limited.
2015	Amalgamation of Sanya Chemicals Private Limited, Amolak Diagnostics Private Limited, Medex Healthcare Private Limited, Medicave Diagnostic Centre Private Limited, Medicave Medical Systems Private Limited and our Company.

Changes in activities of our Company during the last five years

There have been no changes in the activities of our Company during the last five years from the date of this DRHP, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Capital raising (Equity/ Debt)

Our equity issuances in the past and outstanding debts as on June 30, 2015, have been provided in sections titled “*Capital Structure*” and “*Financial Indebtedness*” on pages 71 and 356, respectively. Further, our Company has not undertaken any public offering of debt instruments since its inception.

Strike and lock-outs

We have not experienced any strike, lock-outs or labour unrest in the past.

Time/cost overrun

Our Company has experienced time and cost overrun in relation to setting up of our National Reference Laboratory in Rohini, New Delhi. For further details, see the section titled “*Outstanding Litigation and Material Developments – Litigation involving our Company – Civil/ Arbitration Proceedings*” on page 361.

Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by the Company.

There are no defaults or rescheduling of borrowings with financial institutions, banks, conversion of loans into equity in relation to our Company.

Injunctions or Restraining Order against our Company

There are no injunctions or restraining orders against our Company or our Subsidiaries.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets

Except as stated below, our Company has not acquired any business or undertaking, and has not undertaken any merger, amalgamation or revaluation of assets.

1. *Share purchase agreement dated August 14, 2008 with Paliwal Medicare Private Limited and Dr. Umesh Paliwal, Ms. Mridula Paliwal, Ms. Asha Paliwal and Mr. Krishan Kumar Paliwal (“PMPL SPA”).*

Our Company, pursuant to the share purchase agreement dated August 14, 2008 with Paliwal Medicare Private Limited (“PMPL”) and its shareholders, namely Dr. Umesh Paliwal, Ms. Mridula Paliwal, Ms. Asha Paliwal and Mr. Krishan Kumar Paliwal (“PMPL Sellers”), acquired 7,000 equity shares of PMPL, comprising 70% of the equity share capital of PMPL, held by the PMPL Sellers for a consideration of ` 12.64 million. As per the PMPL SPA, the remaining 3,000 equity shares, comprising of 30% of the equity share capital of PMPL, would be divested to our Company by the PMPL Sellers when our Company undertakes an initial public offering, strategic sale or merger. The PMPL Sellers have the option to divest all or part of such balance equity shares, in multiples of 10 or more, at any time before the initial public offering, strategic sale or merger. For details of the current shareholding of PMPL, see the section titled “– Subsidiaries of our Company” on page 165.

2. *Share purchase agreement dated August 14, 2008 with Paliwal Diagnostics Private Limited and Dr. Umesh Paliwal, Ms. Mridula Paliwal and Ms. Asha Paliwal (“PDPL SPA”).*

Our Company, pursuant to the share purchase agreement dated August 14, 2008 with Paliwal Diagnostics Private Limited (“PDPL”) and its shareholders, namely Dr. Umesh Paliwal, Ms. Mridula Paliwal and Ms. Asha Paliwal (“PDPL Sellers”), acquired 11,200 equity shares of PDPL, comprising 70% of the equity share capital of PDPL, held by the PDPL Sellers for a consideration of ` 30.91 million. As per the PDPL SPA, the remaining 3,000 equity shares, comprising of 30% of the equity share capital of PDPL, would be divested to our Company by the PDPL Sellers when our Company undertakes an initial public offering, strategic sale or merger. The PDPL Sellers have the option to divest all or part of such balance equity shares, in multiples of 10 or more, at any time before the initial public offering, strategic sale or merger. For details of the current shareholding of PDPL, see the section titled “–Subsidiaries of our Company” on page 165.

3. *Share purchase agreement dated February 27, 2014 with APL Institute of Clinical Laboratory & Research Private Limited and Dr. Bhaskar Rai Uttam Ram Vyas, Dr. Kalpana Bhaskar Vyas and Ms. Gargi Ramesh Bhai Ladia (“APL SPA”).*

Our Company, pursuant to the share purchase agreement dated February 27, 2014 with APL Institute of Clinical Laboratory & Research Private Limited (“APL”) and its shareholders, namely Dr. Bhaskar Rai Uttam Ram Vyas, Dr. Kalpana Bhaskar Vyas and Ms. Gargi Ramesh Bhai Ladia (“APL Sellers”), agreed to acquire 10,000 equity shares of APL, comprising the entire equity share capital of APL, held by the APL Sellers, for a consideration of ` 70.87 million, at ` 7,087 per equity share of APL, subject to certain performance goals. For details of the current shareholding of APL, see the section titled “–Subsidiaries of our Company” on page 165.

4. *Scheme of amalgamation between Sanya Chemicals Private Limited, Amolak Diagnostics Private Limited, Medex Healthcare Private Limited, Medicave Diagnostic Centre Private Limited, Medicave Medical Systems Private Limited (“Transferor Subsidiaries”) and our Company (“Scheme”).*

Our Company had acquired Sanya Chemicals Private Limited, Amolak Diagnostics Private Limited, Medex Healthcare Private Limited, Medicave Diagnostic Centre Private Limited, Medicave Medical Systems Private Limited pursuant to share purchase agreements dated October 31, 2002, January 21, 2001, March 3, 2008, March 31, 2013 and April 1, 2013, respectively.

Pursuant to the Scheme, approved by a resolution passed by the Board on September 27, 2013, the Transferor Subsidiaries have recently amalgamated with our Company. As the Transferor Subsidiaries were wholly owned Subsidiaries of our Company, no allotment, exchange or issue of equity shares was envisaged under the Scheme. In terms of the Scheme, upon the Scheme becoming effective, the shareholding of our Company in the Transferor Subsidiaries would stand cancelled, the authorised capital of the Transferor Subsidiaries would be merged with the authorised share capital of our Company and the Transferor Subsidiaries would stand dissolved.

The Transferor Subsidiaries and our Company filed petitions in relation to the Scheme under Sections 391 to 394 of the Companies Act, 1956 before the Bombay High Court (C.P. No. 385 of 2014), High Court of Telangana and Andhra Pradesh (C.P. No. 96 of 2014), Calcutta High Court (C.P. No. 510 of 2014), High Court of Rajasthan (C.P. No. 5 of 2014) and Delhi High Court (C.A.(M) No. 57 of 2014). The High Court of Telangana and Andhra Pradesh at Hyderabad, Bombay High Court, Calcutta High Court and High Court of Rajasthan at Jodhpur have, pursuant to their respective orders dated July 7, 2014, December 19, 2014, August 21, 2014 and March 26, 2015, approved the Scheme in relation to the respective Transferor Subsidiaries. The application before Delhi High Court was withdrawn pursuant to an order of the High Court dated April 2, 2014, wherein the High Court held that in relation to this petition, there was no requirement of holding the meetings of creditors or shareholders of our Company or for filing the petition for sanction of the Scheme since the scheme envisaged amalgamation of wholly owned subsidiaries with their holding company.

Certified copies of the orders were filed with the Registrar of Companies, Maharashtra, Mumbai, on March 18, 2015 for Sanya Chemicals Private Limited, Registrar of Companies, Rajasthan on May 21, 2015 for Amolak Diagnostics Private Limited, Registrar of Companies, Andhra Pradesh and Telangana on October 10, 2014 for Medex Healthcare Private Limited and Registrar of Companies, West Bengal on March 27, 2015 for both Medicave Diagnostic Centre Private Limited and for Medicave Medical Systems Private Limited. In order to intimate the RoC regarding the Scheme and for the increase in authorised share capital of our Company consequent to the amalgamation, our Company made the requisite filings in July 2015 with the RoC, which are yet to be taken on record by the RoC. For further details, see the section titled *“Risk Factors – The recent amalgamation of our former subsidiaries with our Company is yet to be taken on record by the RoC”* on page 35.

Pursuant to the orders passed by the High Courts, assets, titles, interests, licenses, essentiality certificates, authorities acquired, permits, quotas, approvals, permissions, incentives, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes and other assets, special status and other benefits or privileges enjoyed by or conferred upon, held or availed of and all rights and benefits that have or may accrue to the Transferor Subsidiaries were transferred to and vested in our Company on a going concern basis with effect from April 1, 2013, being the appointed date (**“Appointed Date”**). Legal proceedings, if any, initiated against the Transferor Subsidiaries would be continued, prosecuted and enforced against our Company subsequent to completion of the amalgamation.

For details of revaluation of assets, see the section titled *“Other Regulatory and Statutory Disclosures – Revaluation of Assets”* on page 396.

Material Agreements

A. Share Purchase and Shareholders’ Agreements

1. Share purchase agreement dated May 13, 2005 between (Hony.) Brig. Dr. Arvind Lal, Dr. Vandana Lal, our Company and WestBridge Ventures I Investments Holdings.

Pursuant to the share purchase agreement dated May 13, 2005, WestBridge Ventures I Investments Holdings (**“WestBridge Ventures”**) subscribed to (i) 10 equity shares of our Company of face value of ₹ 100 each, at a premium of ₹ 2,133.16 per equity share; and (ii) 125,373 optionally convertible redeemable participating preference shares of face value ₹ 100 each (**“OCPS”**), at a premium of ₹ 2,133.16 per OCPS, for a total consideration of ₹ 280 million.

2. ***Subscription cum shareholders agreement dated October 15, 2007 between our Promoters, our Company, Dr. Archana Lal, Mr. Anjaneya Lal and WestBridge Ventures.***

Pursuant to the subscription cum shareholders' agreement dated October 15, 2007, WestBridge Ventures further subscribed to 41,079 compulsorily convertible preference shares of face value ₹ 100 each, for a total consideration of ₹ 170 million.

Pursuant to a resolution of the Board dated August 20, 2010, the 125,373 OCPS held by WestBridge Ventures were converted into compulsorily convertible preference shares of face value ₹ 100 each, thereby resulting in WestBridge Ventures holding 166,452 compulsorily convertible preference shares of face value ₹ 100 each, split into two share certificates, with immediate effect.

3. ***Share purchase agreement dated August 20, 2010 between our Company, WestBridge Ventures and Wagner Limited***

Pursuant to the share purchase agreement dated August 20, 2010, Wagner Limited ("Wagner") agreed to purchase, and WestBridge Ventures agreed to sell, (i) five equity shares of our Company at their erstwhile face value of ₹ 100 each; and (ii) 83,226 compulsorily convertible preference shares of face value ₹ 100 each, held by WestBridge Ventures, together comprising 16.03% of the then share capital of our Company on a fully diluted basis, for a total consideration of ₹ 1,467.22 million.

4. ***Share purchase agreement dated January 31, 2013 between our Company, WestBridge Ventures and Wagner***

Pursuant to the share purchase agreement dated January 31, 2013, Wagner agreed to further purchase, and WestBridge Ventures agreed to sell, 16,646 compulsorily convertible preference shares of face value ₹ 100 each held by WestBridge Ventures, comprising 3.18% of the then share capital of our Company on a fully diluted basis, for a total consideration of USD 8.80 million.

5. ***Share purchase agreement dated January 31, 2013 between our Company, WestBridge Ventures and WestBridge Crossover Fund, LLC ("WCF SPA I")***

Pursuant to the share purchase agreement dated January 31, 2013, WCF agreed to purchase, and WestBridge Ventures agreed to sell, (i) five equity shares of our Company of face value of ₹ 100 each; and (ii) 58,257 compulsorily convertible preference shares of face value ₹ 100 each, held by WestBridge Ventures, together comprising 11.12% of the then share capital of our Company on a fully diluted basis, for a total consideration of USD 30.80 million.

6. ***Share purchase agreement dated July 18, 2013 between our Company, WestBridge Ventures and WCF ("WCF SPA II")***

Pursuant to the share purchase agreement dated July 18, 2013, WCF agreed to further purchase, and WestBridge Ventures agreed to sell, 1,754 compulsorily convertible preference shares of face value ₹ 100 each held by WestBridge Ventures, comprising 0.33% of the then share capital of our Company on a fully diluted basis, for a total consideration of USD 0.93 million.

7. ***Share purchase agreement dated September 27, 2013 between our Company, WestBridge Ventures and Sanjeevini Investment Holdings ("Sanjeevini SPA")***

Pursuant to the share purchase agreement dated September 27, 2013, SIH agreed to purchase, and WestBridge Ventures agreed to sell, 6,569 compulsorily convertible preference shares of face value ₹ 100 each held by WestBridge Ventures, comprising 1.25% of the then share capital of our Company on a fully diluted basis, for a total consideration of USD 3.47 million.

8. ***Amended and restated shareholders' agreement dated August 20, 2010 initially entered into between our Promoters, our Company, Dr. Archana Lal, Mr. Anjaneya Lal and Westbridge Ventures, as amended,***

currently amongst our Promoters, our Company, Dr. Archana Lal, Mr. Anjaneya Lal, WCF, Wagner Limited and SIH as parties (“Amended and Restated SHA”)

Our Promoters, Company, Dr. Archana Lal, Mr. Anjaneya Lal, Wagner and WestBridge Ventures had entered into the Amended and Restated SHA, as amended pursuant to (i) WCF SPA I and deed of assignment dated January 31, 2013; (ii) WCF SPA II and deed of assignment dated July 18, 2013; and (iii) SIH SPA and deed of adherence dated September 27, 2013, by virtue of which, WCF and SIH also became parties and assumed the rights and obligations of WestBridge Ventures under the Amended and Restated SHA (WCF, Wagner and SIH together being the “**Investors**”). The Amended and Restated SHA superseded previous agreements and understandings between the parties in relation to their rights and obligations and other matters in connection therewith, except certain representations and warranties given by our Company, (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal under the shareholders agreement dated May 13, 2005, which continue to survive.

- *Board composition:* Our Board shall consist of seven directors, including one director nominated by Wagner and one director jointly nominated by WCF and SIH, so long as such entities continue to hold at least 5% of the share capital of the Company on a fully diluted basis (together, the “**Investor Nominee Directors**”). (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal shall continue to be directors on our Board, (Hony.) Brig. Dr. Arvind Lal being the managing director of our Company, and are also entitled to jointly nominate two more directors on our Board (“**Founder Directors**”). Further, any transferee who would, pursuant to a transfer by (Hony.) Brig. Dr. Arvind Lal, Dr. Vandana Lal or any of the Investors, hold over 10% of the share capital of our Company would be entitled to appoint one nominee director. However, in such case, the strength of the Board would be increased to maintain a simple majority of (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal, so long as they continue to hold over 51% of the share capital of the Company. The board of directors of our Subsidiaries would also be constituted similarly.
- *Quorum:* The quorum for a Board meeting shall be at least four Directors, including the Investor Nominee Directors and one Founder Director.
- *Board-level committees:* So long as the Investors continue to hold at least 5% of the share capital of the Company, Wagner, individually, and Westbridge and SIH jointly, shall have the right to appoint one nominee each, and (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal shall have the right to collectively appoint three nominees each as members on any Board-level committee of our Company, including a compensation and an audit committee.
- *Rank and conversion of CCPS:* The compulsorily convertible preference shares of face value ₹ 100 each, prior to conversion into Equity Shares, shall rank senior to all classes of shares of our Company, with respect to dividend distributions and repayment of capital upon a liquidation event of our Company. The compulsorily convertible preference shares of face value ₹ 100 each carry a fixed rate of dividend of 0.01% and fully participate with Equity Shares in all dividends declared by our Company. While the Amended and Restated SHA allows voluntary conversion of the compulsorily convertible preference shares of face value ₹ 100 each at the option of the Investors, in connection with an initial public offering of equity shares by our Company (“**IPO**”), the compulsorily convertible preference shares of face value ₹ 100 each would be mandatorily converted into Equity Shares in such ratio as provided in the Amended and Restated SHA, at the latest date as required under applicable laws. However, in the event the IPO does not occur within three months of conversion, rights of Investors would be restored subject to applicable laws.
- *Affirmative rights of the Investors:* Other than in relation to matters and actions with respect to a qualified IPO as defined under the Amended and Restated SHA, pursuant to an IPO request notice (such IPO being a “**Qualified IPO**”), our Company requires an affirmative vote of each Investor holding at least 5% of the share capital of our Company (“**Requisite Consent**”) to undertake certain matters, which include, *inter alia*:
 - any amendment to the Memorandum or Articles;
 - recapitalization, reclassification or any alteration in the rights of any securities issued or of any class of shareholders of our Company;
 - issuance or transfer of any additional shares or securities other than pursuant to a right of first offer, right of first refusal or tag along rights exercised in terms of the Amended and Restated SHA,

mandatory conversion of the compulsorily convertible preference shares of face value ₹ 100 each or issuance of shares pursuant to a Qualified IPO;

- establishment or change in the dividend policy of our Company or any Subsidiary, and for declaration of or setting aside amounts for dividends or interim dividends;
- entering into related party transactions with shareholders, Directors, (Hony.) Brig. Dr. Arvind Lal, Dr. Vandana Lal or their affiliates;
- effecting any acquisitions or sale, merger, consolidation, reconstitution or change in control of our Company;
- any incurrence or discharge of indebtedness or furnishing of a guarantee therefor, in excess of ₹ 10 million over the amount envisaged in the business plan of our Company as agreed upon in terms of the Amended and Restated SHA; and
- appointment or removal of key employees of our Company and approval or amendment of any new ESOP scheme replacing the existing scheme as on the date of the Amended and Restated SHA.

Further, (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal have undertaken to not compete directly or through partnerships, joint ventures or collaborations, with the business of our Company, nor solicit similar business from any client or customer or of our Company.

- *Restriction on transfer of Equity Shares:* During the term of the Amended and Restated SHA, our Company is entitled to, subject to Requisite Consent being obtained, make certain kinds of agreed upon transfers, including (i) grants of stocks or options or warrants to employees, consultants or Directors under the ESOP Scheme; (ii) shares issued upon conversion of the compulsorily convertible preference shares of face value ₹ 100 each into any other class of shares; and (iii) issuance of securities in an IPO. Issuance of shares pursuant to a rights issue or bonus issue or on a preferential basis shall be as per agreed terms in the Amended and Restated SHA. Moreover, Investors will have anti-dilution rights in case of issuance of shares by our Company on a preferential basis.
- *ROFO, ROFR and tag-along rights:* In the event of a transfer of Equity Shares by any of our Promoters, Dr. Archana Lal or Mr. Anjaneya Lal (for the purposes of this description hereinafter referred to as “**Founder Group**”), the Investors would be entitled to a right of first offer (“**ROFO**”) if cumulative shareholding of the Founder Group post such transfer would remain 51% or more of the total issued and paid up capital of our Company on a fully diluted basis at the time of such transfer. In the event the cumulative shareholding of the Founder Group post such transfer would fall below 51% or more of the total issued and paid up capital of our Company on a fully diluted basis at the time of such transfer, the Investors would be entitled to a right of first refusal (“**ROFR**”). In case such ROFO or ROFR, as applicable, is not exercised, the Investors would have a tag-along right in such transfer prior to the completion of an IPO by, or a liquidation event of our Company.
- *Public offer and offer for sale:* The Investors have a right under the Amended and Restated SHA to require our Company to undertake an IPO pursuant to an IPO request notice (such IPO being a “**Qualified IPO**”), within three months of which our Company would be required to provide details regarding method of listing, whether by issuance of fresh Equity Shares, offer of existing Equity Shares or both, timing, price and other terms of the Qualified IPO. The Investors and members of the Founder Group have a right to offer their shareholding for sale in the IPO, or Qualified IPO, on a pro rata basis upon the ratio of their shareholding in our Company.
- *Investors to not be considered promoters of our Company:* As per the terms of the Amended and Restated SHA, the Investors shall not be considered or referred to as promoters or founders of our Company in the offer documents for the purposes of an IPO.
- *Termination:* The Amended and Restated SHA may be terminated by the written consent of all parties. In case any party ceases to hold any equity or preference shares by itself or through its affiliates, the Amended and Restated SHA would terminate with respect to that party.

- *Events of default and indemnity:* Failure of (Hony.) Brig. Dr. Arvind Lal, Dr. Vandana Lal or our Company to obtain the Requisite Consent for specified matters, or to convert the compulsorily convertible preference shares of face value ₹ 100 each into Equity Shares or give effect to the liquidation preference right of the Investors in accordance with the Amended and Restated SHA would constitute a material breach. Our Company is obliged to indemnify the Investors, their officers, employees, agents and affiliates who sign a deed of adherence and (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal, to the maximum extent permitted under applicable laws, against any actual losses, excluding loss of profit, remote and consequential losses, incurred by such indemnified persons on account of claims or actions in relation to our Company or the their status as shareholders of our Company.

Pursuant to an amendment agreement dated and effective from August 5, 2015, certain provisions of the Amended and Restated SHA have been amended as given below:

- *Termination:* Upon consummation of the IPO, being the date on which the final listing and trading approval is received by the Company from the Stock Exchanges, the Amended and Restated SHA shall stand automatically terminated, without any further action or notice under the Amended and Restated SHA and without prejudice to any existing or accrued rights or liabilities of the Parties.
- *Conversion of CCPS:* The CCPS shall be mandatorily converted into Equity Shares, in connection with the IPO, at least one day prior to the filing of the Red Herring Prospectus with SEBI, in accordance with applicable laws. Equity Shares proposed to be offered as part of Offer for Sale and arising from conversion of CCPS shall be mandatorily converted into Equity Shares at least one day prior to the filing of the Draft Red Herring Prospectus with SEBI, in accordance with applicable laws.
- *Offer expenses:* The Company and the shareholders proposing to sell shares held by them in the IPO shall bear all expenses for the IPO (including fees and expenses of the merchant bankers and counsel for Investors) in such proportion and manner which is in compliance with all applicable laws.
- *Board composition:* Our Board shall consist of a maximum of twelve directors, including one non-executive director nominated by Wagner and one non-executive director jointly nominated by WCF and SIH, so long as such entities continue to hold, individually or in aggregate, respectively, at least 5% of the share capital of the Company on a fully diluted basis. (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal shall continue to be directors on our Board, and their right to appoint two Founder Directors shall continue post listing of the Equity Shares on the Stock Exchanges.

The Investors have also granted a waiver to our Company with respect to the ROFO, ROFR and tag-along rights and rights associated with a Qualified IPO under the Amended and Restated SHA. Further, the Company's obligations to obtain the Requisite Consent of the Investors and procedural requirements for proceedings of Board and shareholder meetings have also been waived by the Investors to the extent of actions and matters required for the facilitation of the IPO, subject to applicable laws and regulations. Such waivers are effective until the earlier of March 31, 2016, or the date on which the Board decides not to undertake the IPO.]

B. Other Agreements

Other than as mentioned under the section titled "*History and Certain Corporate Matters – Material Agreements*" on page 161, our Company has not entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by our Company in the last two years preceding this Draft Red Herring Prospectus.

Holding Company

Our Company does not have a holding company.

Subsidiaries of our Company

Currently, our Company has five Subsidiaries.

1. Paliwal Diagnostics Private Limited;
2. Paliwal Medicare Private Limited;
3. APL Institute of Clinical Laboratory & Research Private Limited;
4. Dr. Lal PathLabs International B.V.; and
5. Dr. Lal Pathlabs Nepal Private Limited.

The details of our Subsidiaries are as follows:

1. Paliwal Diagnostics Private Limited

Corporate information

PDPL was incorporated on July 8, 1997 under the Companies Act, 1956 with the Registrar of Companies, Uttar Pradesh at Kanpur, as “Paliwal Diagnostics Private Limited”. Its CIN is U26914UP1997PTC022257 and its registered office is situated at 117/H-1/02, Pandu Nagar, Kanpur, Uttar Pradesh 208 025. Our Company acquired PDPL pursuant to share purchase agreement dated August 14, 2008. For details, see the section titled “-Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets” on page 160.

PDPL is enabled under its objects to carry on the business of *inter alia* undertaking pathological, laboratory and other diagnostic tests, conducting medical research and such other medical, clinical and related activities, and it is currently engaged in the business of pathology, radiology and laboratory.

Of our Directors, (Hony.) Brig. Dr. Arvind Lal and Dr. Om Prakash Manchanda are members of the board of directors of PDPL.

Capital structure and shareholding pattern

The authorised share capital of PDPL is ₹ 0.20 million divided into 20,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital is ₹ 0.16 million divided into 16,000 equity shares of ₹ 10 each.

The shareholding pattern of PDPL as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of shareholder	No. of equity shares of ₹ 10 each	Percentage of issued capital
1.	Dr. Lal PathLabs Limited	11,200	70.00
2.	Dr. Umesh Paliwal	2,750	17.19
3.	Dr. Mridula Paliwal	1,800	11.25
4.	Ms. Asha Paliwal	250	1.56
Total		16,000	100.00

2. Paliwal Medicare Private Limited

Corporate information

PMPL was incorporated on April 13, 2006 under the Companies Act, 1956 with the Registrar of Companies, Uttar Pradesh & Uttaranchal, at Kanpur as “Paliwal Medicare Private Limited”. Its CIN is U85110U2006PTC031606 and its registered office is situated at 117/H-1/02, Pandu Nagar, Kanpur, Uttar Pradesh 208 025. Our Company acquired PMPL pursuant to share purchase agreement dated August 14, 2008. For details, see the section titled “- Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets” on page 160.

PMPL is enabled under its objects to carry on the business of *inter alia* undertaking radiological, cardiological and other diagnostic tests, conduct medical research and such other medical, clinical and related activities, and it is currently engaged in the business of pathology, radiology and laboratory testing.

Of our Directors, (Hony.) Brig. Dr. Arvind Lal and Dr. Om Prakash Manchanda are members of the board of directors of PMPL.

Capital structure and shareholding pattern

The authorised share capital of PMPL is ₹ 0.20 million divided into 20,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital is ₹ 0.10 million divided into 10,000 equity shares of ₹ 10 each.

The shareholding pattern of PMPL as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of shareholder	No. of equity shares of ₹ 10 each	Percentage of issued capital
1.	Dr. Lal PathLabs Limited	7,000	70.00
2.	Dr. Umesh Paliwal	1,000	10.00
3.	Ms. Asha Paliwal	1,000	10.00
4.	Dr. Mridula Paliwal	600	6.00
5.	Mr. K.K. Paliwal	400	4.00
Total		10,000	100.00

3. APL Institute of Clinical Laboratory & Research Private Limited

Corporate information

APL was incorporated on May 7, 2011 under the Companies Act, 1956 with the RoC as “APL Institute of Clinical Laboratory & Research Private Limited”. Its CIN is U73100GJ2011PTC065333 and its registered office is situated at A-103-104, Aasthan Complex, Ahmedabad, Gujarat 380 015. Our Company acquired APL pursuant to share purchase agreement dated February 27, 2014. For details, see the section titled “– Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets” on page 160.

APL is enabled under its objects to carry on the business of undertaking pathological and diagnostic investigation, research, providing medical diagnostic facilities and establishing and maintaining research laboratories and experimental stations, and it is currently engaged in the business of pathology, radiology and laboratory.

Of our Directors, (Hony.) Brig. Dr. Arvind Lal and Dr. Om Prakash Manchanda are members of the board of directors of APL.

Capital structure and shareholding pattern

The authorised share capital of APL is ₹ 0.10 million divided into 10,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital is ₹ ₹ 0.10 million divided into 10,000 equity shares of ₹ 10 each.

The shareholding pattern of APL as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of shareholder	No. of equity shares of ₹ 10 each	Percentage of issued capital (%)
1.	Dr. Lal PathLabs Limited	9,990	99.90
2.	(Hony.) Brig. Dr. Arvind Lal*	10	0.10
Total		10,000	100.00

* As a nominee of our Company.

4. Dr. Lal PathLabs International B.V.

Dr. Lal PathLabs International B.V. was incorporated on March 20, 2014 as a private limited liability company with its official seat at Amsterdam, Netherlands, and registered with the Netherlands Chamber of Commerce. Its Rechtspersonen en Samenwerkingsverbanden Informatienummer or RSIN is 853837806 and its visiting address is Oranje Nassaulaan 55, 1e etage, 1075AK Amsterdam. Dr. Lal PathLabs International B.V. is enabled under its objects to incorporate, participate in, manage, supervise, operate and promote enterprises, businesses and companies,

finance businesses and companies, trade in currencies, securities and items of property in general, buy and sell reagents, chemicals and consumables and to render diagnostic and pathology laboratories services. Currently, Dr. Lal PathLabs International B.V. does not undertake any business activities.

Of our Directors, (Hony.) Brig. Dr. Arvind Lal and Dr. Om Prakash Manchanda are among the first members of the management board of Dr. Lal PathLabs International B.V.

Capital structure and shareholding of our Company

As per the certificate of registration issued by the Netherlands Chamber of Commerce, the issued share capital of Dr. Lal PathLabs International B.V. is EUR 100,000, consisting of 10,000 shares, each with a nominal value of EUR 10. Our Company is yet to invest in the paid up capital of Dr. Lal PathLabs International B.V., and the paid up capital of Dr. Lal PathLabs International B.V. is NIL.

5. Dr. Lal Pathlabs Nepal Private Limited

Dr. Lal Pathlabs Nepal was incorporated as a private limited company under Section 5(1) of the Companies Act, 2006 and a certificate of incorporation dated August 6, 2015 was issued by the Company Registrar, Ministry of Industry, Government of Nepal. Its registration number is 138071/072/073 and its registered office is situated at Kathmandu Metropolitan City – 29, Samakhushi, Kathmandu. Dr. Lal Pathlabs Nepal Private Limited is enabled under its objects to *inter alia* operate and manage collection centers and laboratories and carry out the business of diagnostic services. Currently, Dr. Lal Pathlabs Nepal Private Limited does not undertake any business activities.

Of our Directors, Dr. Om Prakash Manchanda is a member of the board of directors of Dr. Lal Pathlabs Nepal Private Limited.

Capital structure and shareholding of our Company

The authorised share capital of Dr. Lal Pathlabs Nepal Private Limited is Nepalese Rupees 40 million, divided into 400,000 equity shares of Nepalese Rupees 100 each. Our Company is yet to invest in the paid-up capital of Dr. Lal Pathlabs Nepal Private Limited which is Nil as of the date of the Draft Red Herring Prospectus.

Sale of shares of our Subsidiaries

There has been no sale of shares of any of our Subsidiaries during the six months preceding the date of this Draft Red Herring Prospectus. Neither our Promoters, nor the members of our Promoter Group or our Directors or their relatives have sold or purchased securities of any of our Subsidiaries during the six months preceding the date of this Draft Red Herring Prospectus.

Shareholding of our Directors in our Subsidiaries

Except as disclosed below, none of our Directors hold shares in our Subsidiaries as on the date of this Draft Red Herring Prospectus.

Name of Director	Name of Subsidiary	No. of securities	Percentage of issued capital of the Subsidiary
(Hony.) Brig. Dr. Arvind Lal*	APL Institute of Clinical Laboratory & Research Private Limited	10	0.10

*As a nominee of our Company.

Significant sale or purchase between our Company and Subsidiaries

Except as disclosed in the section “*Related Party Transactions*” on page 194, none of our Subsidiaries is 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.

Common Pursuits

There are no common pursuits between our Company and the Subsidiaries. However, certain of our Subsidiaries are engaged in lines of business that are similar and/or synergistic to our Company.

Business interest between our Company and the Subsidiaries

Except as disclosed in the sections “*Our Business*” and “*Related Party Transactions*” on pages 134 and 194 respectively, none of the Subsidiaries have any business interest in our Company.

Other confirmations

None of our Subsidiaries (i) is listed on any stock exchange in India or abroad; (ii) has become a sick company under the meaning of SICA; or (iii) is under winding up. There are no accumulated profits or losses of the Subsidiaries not accounted for by our Company.

Joint Ventures of our Company

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any joint venture agreements.

Profit making Subsidiaries

None of our Subsidiaries contributed more than 5% of either revenue/profits after tax/assets of our Company on a consolidated basis for Fiscal Year 2015.

Strategic and financial partnerships

Our Company currently does not have any strategic or financial partners.

Guarantees given by Promoter Selling Shareholders

Our Promoter Selling Shareholders have not provided any guarantees in relation to loans availed by our Company.

OUR MANAGEMENT

Under Part B of our Articles of Association, our Company is required to have not less than three Directors and not more than 12 Directors. Our Company currently has 12 Directors on its Board, including six independent Directors.

Our Board

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus.

Name, designation, address, occupation, nationality, date of joining, term and DIN	Age (years)	Other Directorships and Partnerships
(Hony.) Brig. Dr. Arvind Lal <i>Designation:</i> Chairman and Managing Director ⁽⁴⁾ <i>Address:</i> J-5, Green Park, New Delhi 110 016, Delhi, India <i>Occupation:</i> Service <i>Nationality:</i> Indian <i>Date of joining:</i> February 14, 1995 <i>Term:</i> Five years from August 21, 2015 <i>DIN:</i> 00576638	66	<i>Other Directorships:</i> ⁽¹⁾ <ol style="list-style-type: none"> 1. APL Institute of Clinical Laboratory and Research Private Limited 2. Archana Pharmaceuticals Private Limited 3. Doon MRI Private Limited 4. Kalmatia Sangam Travels Private Limited 5. Paliwal Diagnostics Private Limited 6. Paliwal Medicare Private Limited 7. Dr. Lal PathLabs International B.V. <i>Partnerships:</i> <ol style="list-style-type: none"> 1. Central Clinical Laboratory
Dr. Vandana Lal <i>Designation:</i> Whole-time Director ⁴ <i>Address:</i> J-5, Green Park, New Delhi 110 016, Delhi, India <i>Occupation:</i> Service <i>Nationality:</i> Indian <i>Date of joining:</i> February 14, 1995 <i>Term:</i> Five years from August 21, 2015 <i>DIN:</i> 00472955	58	<i>Other Directorships:</i> ⁽²⁾ <ol style="list-style-type: none"> 1. Archana Pharmaceuticals Private Limited 2. Kalmatia Sangam Travels Private Limited <i>Partnerships:</i> <ol style="list-style-type: none"> 1. Central Clinical Laboratory
Dr. Om Prakash Manchanda <i>Designation:</i> Whole-time Director and Chief Executive Officer ⁴ <i>Address:</i> Villa No. 6, Tatvam Villas, Sector 48, Sohna Road, Gurgaon, 122 018, Haryana, India <i>Occupation:</i> Service <i>Nationality:</i> Indian <i>Date of joining:</i> February 1, 2011 <i>Term:</i> Five years from August 21, 2015	50	<i>Other Directorships:</i> ⁽³⁾ <ol style="list-style-type: none"> 1. APL Institute of Clinical Laboratory and Research Private Limited 2. Paliwal Diagnostics Private Limited 3. Paliwal Medicare Private Limited 4. Dr. Lal PathLabs International B.V. 5. Dr. Lal Pathlabs Nepal Private Limited

Name, designation, address, occupation, nationality, date of joining, term and DIN	Age (years)	Other Directorships and Partnerships
<i>DIN:</i> 02099404		
Mr. Rahul Sharma	54	<i>Other Directorships:</i>
<i>Designation:</i> Non-executive Director		1. EAL Consulting India Private Limited
<i>Address:</i> House - 5, Buena Vista - 7, Pik Sha Road, Sai Kung New Territories, Keatk 053, Hong Kong		
<i>Occupation:</i> Service		
<i>Nationality:</i> Indian		
<i>Date of joining:</i> July 22, 2005		
<i>Term:</i> Liable to retire by rotation		
<i>DIN:</i> 00956625		
Mr. Naveen Wadhwa	38	<i>Other Directorships:</i>
<i>Designation:</i> Non-executive Nominee Director		1. Fractal Analytics Private Limited
<i>Address:</i> The Garden Flat, 6 Roland Gardens, London SW73PH, United Kingdom		2. Micromax Informatics Limited
<i>Occupation:</i> Service		3. TA Associates Advisory Private Limited
<i>Nationality:</i> American		4. RateGain Travel Technologies Private Limited
<i>Date of joining:</i> August 31, 2010		
<i>Term:</i> Liable to retire by rotation		
<i>DIN:</i> 02503164		
Mr. Sandeep Singhal	45	<i>Other Directorships:</i>
<i>Designation:</i> Non-executive Nominee Director		1. Carzonrent India Private Limited
<i>Address:</i> C-76, Diamond District, Airport Road, Bangalore, 560017, Karnataka, India		2. DFM Foods Limited
<i>Occupation:</i> Service		3. Kajaria Ceramics Limited
<i>Nationality:</i> Indian		4. Nazara Technologies Private Limited
<i>Date of joining:</i> May 25, 2005		5. People Interactive (India) Private Limited
<i>Term:</i> Liable to retire by rotation		6. WestBridge Capital India Advisors Private Limited
<i>DIN:</i> 00040491		
Mr. Arun Duggal	68	<i>Other Directorships:</i>
<i>Designation:</i> Additional (Independent) Director		1. International Asset Reconstruction Private Limited
<i>Address:</i> A-4, West End, New Delhi 110 021, Delhi, India		2. Info Edge (India) Limited
<i>Occupation:</i> Retired professional		3. Dish TV India Limited
<i>Nationality:</i> American		4. ITC Limited
		5. ICRA Limited

Name, designation, address, occupation, nationality, date of joining, term and DIN	Age (years)	Other Directorships and Partnerships
<i>Date of joining:</i> August 21, 2015 <i>Term:</i> Three years from August 21, 2015 <i>DIN:</i> 00024262		6. Jubilant Energy NV, Netherlands
Mr. Anoop Mahendra Singh <i>Designation:</i> Additional (Independent) Director <i>Address:</i> 13 Wensley Court, Templestowe, Victoria 3106, Australia <i>Occupation:</i> Professional <i>Nationality:</i> Australian <i>Date of joining:</i> August 21, 2015 <i>Term:</i> Three years from August 21, 2015 <i>DIN:</i> 01963056	49	<i>Other Directorships:</i> 1. ASAP Global Pty Limited, Australia 2. Pathology Australia Incorporated, Australia
Mr. Sunil Varma <i>Designation:</i> Additional (Independent) Director <i>Address:</i> 104, Aradhana Apartments, R.K. Puram, Sector-13, New Delhi 110 066, Delhi, India <i>Occupation:</i> Retired professional <i>Nationality:</i> Indian <i>Date of joining:</i> August 21, 2015 <i>Term:</i> Three years from August 21, 2015 <i>DIN:</i> 01020611	71	<i>Other Directorships:</i> 1. International Asset Reconstruction Private Limited 2. HKT Limited, Hong Kong 3. HKT Management Limited, Hong Kong
Mr. Harneet Singh Chandhoke <i>Designation:</i> Additional (Independent) Director <i>Address:</i> 5-A, Factory Road, opposite B4/187-C Krishna Nagar, Safdarjung Enclave, New Delhi 110 029, Delhi, India <i>Occupation:</i> Advocate <i>Nationality:</i> Indian <i>Date of joining:</i> August 21, 2015 <i>Term:</i> Three years from August 21, 2015 <i>DIN:</i> 02758084	50	<i>Other Directorships:</i> Nil <i>Partnerships:</i> 1. Luthra & Luthra Law Offices Litigation
Mr. Saurabh Srivastava <i>Designation:</i> Additional (Independent) Director <i>Address:</i> C- 482, Defence Colony, New Delhi 110 024, Delhi, India	69	<i>Other Directorships:</i> 1. CSIR-Tech Private Limited 2. Indian Angel Network Service Private Limited

Name, designation, address, occupation, nationality, date of joining, term and DIN	Age (years)	Other Directorships and Partnerships
<i>Occupation:</i> Business <i>Nationality:</i> Indian <i>Date of joining:</i> August 21, 2015 <i>Term:</i> Three years from August 21, 2015 <i>DIN:</i> 00380453		3. India Innovation Holding MSME Private Limited 4. Info Edge (India) Limited 5. Kaleidoscope Entertainment Private Limited 6. Leeway Logistics Limited 7. Rajasthan Asset Management Company Private Limited 8. Robhatah Robotics Solutions Private Limited 9. Yes Bank Limited 10. Steria India Limited 11. Xchanging UK Limited 12. Elara Capital (Singapore) Pte. Limited 13. Media Lab Asia 14. India Inclusive Innovation Management 15. IAN Mentoring and Incubation Services <i>Partnerships:</i> 1. Ascendant Consultancy Services LLP 2. Velvetleaf Consultant LLP 3. Rajasthan Projects LLP 4. Forsythia LP
Dr. Murugan Rajaram Pandian <i>Designation:</i> Additional (Independent) Director <i>Address:</i> 27432 Almendra Mission Viejo, California 92691, United States of America <i>Occupation:</i> Professional <i>Nationality:</i> American <i>Date of joining:</i> August 28, 2015 <i>Term:</i> Three years from August 28, 2015 <i>DIN:</i> 07271000	73	<i>Other Directorships:</i> Nil

⁽¹⁾ As per records of the RoC, (Hony.) Brig. Dr. Arvind Lal is also a director of Amolak Diagnostics Private Limited, Medex Healthcare Private Limited, Medicave Medical Systems Private Limited, Medicave Diagnostic Centre Private Limited and Sanya Chemicals Private Limited. For the status of amalgamation of these companies with our Company, see the section titled "Risk Factors - The recent amalgamation of our former subsidiaries with our Company is yet to be taken on record by the RoC." and "History and Certain Corporate Matters - Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets" on pages 35 and 160, respectively.

⁽²⁾ As per records of the RoC, Dr. Vandana Lal is also a director of Sanya Chemicals Private Limited. For the status of amalgamation of this company with our Company, see the section titled "Risk Factors - The recent amalgamation of our former subsidiaries with our Company is yet to be taken on record by the RoC." and "History and Certain Corporate Matters - Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets" on pages 35 and 160, respectively.

⁽³⁾ As per records of the RoC, Dr. Om Prakash Manchanda is also a director of Amolak Diagnostics Private Limited, Medex Healthcare Private Limited, Medicave Medical Systems Private Limited and Medicave Diagnostic Centre Private Limited. For the status of amalgamation of these companies with our Company, see the section titled "Risk Factors - The recent amalgamation of our former subsidiaries with our Company is yet to be taken on record by the RoC." and "History and Certain Corporate Matters - Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets" on pages 35 and 160, respectively.

to be taken on record by the RoC.” and “History and Certain Corporate Matters - Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets” on pages 35 and 160, respectively.

⁽⁴⁾ Our whole-time Directors, the Chief Executive Officer and the Chairman & Managing Director were reappointed pursuant to a board resolution dated August 21, 2015 and their re-appointment is subject to such other approval/permissions as may be required and is also subject to the approval of shareholders in a general meeting.

Brief profiles of our Directors

(Hony.) Brig. Dr. Arvind Lal, aged 66 years, is the Chairman and Managing Director of our Company. He has been conferred an Honorary Brigadier's rank in the Armed Forces Medical Services by the President of India and is recipient of the Padma Shri award. (Hony.) Brig. Dr. Arvind Lal was appointed as the honorary physician to the President of India in 2001. He holds a bachelor's degree in medicine and a bachelor's degree in surgery from the University of Poona and a diploma in clinical pathology from the Armed Forces Medical College, Pune. He has over 40 years of experience in the field of pathology. Prior to joining our Company, he was associated with Central Clinical Laboratory, a partnership firm and our Group Entity, as a partner, to provide pathology services under the name 'Central Clinical Laboratory' and to maintain a blood bank for the supply of blood to patients and hospitals under the name 'Blood Transfusion Centre'. He has been a Director of our Company since 1995, and is the Chairman of our CSR Committee and a member of our IPO Committee. He leads our Board and facilitates liaisoning between our Board and Company's management through our Chief Executive Officer. He is responsible for ensuring that appropriate governance procedures are in place and well entrenched in the culture of our Company.

Dr. Vandana Lal, aged 58 years, is a whole-time Director on our Board. She holds a bachelor's degree in medicine and a bachelor's degree in surgery from the University of Delhi and a doctorate degree in medicine (pathology) from the University of Delhi. She has over 30 years of experience in the field of pathology. She has been a Director of our Company since 1995 and is a member of our IPO Committee. Dr. Vandana Lal heads clinical research services, all technical departments of our laboratories and research and development wing of our Company. She is also responsible for expansion activities of our laboratories, planning and execution of new projects for our Company, overall charge of all the technical departments ensuring accuracy, quality assurance, quality control and compliance to standards stipulated by accreditation bodies. Dr. Vandana Lal was recognised as 'Woman of the Year' representing India, by the American Biographical Institute in 2008 and as 'Gem of India' at the All India Achiever's Conference in 1994. Dr. Vandana Lal has also received the International Business Council Award in 1993 and the Shiromani Award for outstanding achievement in the chosen field of activity (pathology) in 1993.

Dr. Om Prakash Manchanda, aged 50 years, is a whole-time Director and Chief Executive Officer of our Company. He holds a bachelor's degree in veterinary science and animal husbandry from the Haryana Agricultural University, Hisar and a post-graduate diploma in management (agriculture) from the Indian Institute of Management, Ahmedabad ("IIMA"). After graduating from the IIMA in June 1990, he was selected as a management trainee for Lipton India Limited now amalgamated into Hindustan Unilever Limited ("HUL"), under the management trainee scheme of Unilever Group of Companies in India. He has worked with HUL in various positions such as Area Manager, Innovation Manager - Beverages, Business Manager - Loose Tea, Brookfields and Senior Product Manager. In HUL as a Senior Product Manager - Innovation, he spearheaded the execution of Tea Based Beverage development project under the brand name of Lipton Tiger. This innovation went on to win many awards viz., Unilever Central Asia and Middle East ("CAME") Best Marketable Idea of the Year Award in 1997, CAME Innovation Award for Best Proven Initiative of the Year in 1998 and Unilever Foods Innovation Award in Beverages Category in the year 1999. Prior to joining our Company, he has also worked with Monsanto India Limited as their National Marketing Manager and thereafter as their National Sales Manager. In January 2003 he joined Ranbaxy Laboratory Limited in their Global Consumer Healthcare Division and worked initially as General Manager - Marketing, Consumer Healthcare (India) and then General Manager - International & Innovation before joining our Company in October 2005. He joined our Company as Chief Operating Officer on October 17, 2005. Subsequently, he was promoted to the position of Chief Executive Officer on April 1, 2008, and later was inducted to our Company's board of directors on February 1, 2011. He has about 25 years of experience in the field of marketing and general management. He has been a Director of our Company since 2011, and is a member of our CSR Committee and our IPO Committee. He has won the Achiever of the Year Award in 2014, presented by CEO India as a part of CEO Awards 2014. He is currently responsible for development and execution of short and long term strategies and he is also in-charge of the day to day management aspects of our Company.

Mr. Rahul Sharma, aged 54 years, is a non-executive Director on our Board. He studied mathematics at the University of Delhi and commerce at the Kakatiya University. He has about 22 years of experience in the field of human resources. He is presently a partner with Executive Access, Hong Kong, and has been a key senior member of the firm's Asia Pacific Banking and Finance recruiting and consulting practice. Prior to joining Executive Access, he was associated with State Bank of India. His sporting achievements in cricket include representing Delhi in the Ranji Trophy and participating in One Day Internationals representing Hong Kong. He has been a Director of our Company since 2005, and is a member of our Nomination and Remuneration Committee and our Stakeholders Relationship Committee.

Mr. Naveen Wadhwa, aged 38 years, is a non-executive nominee Director on our Board. He holds a bachelor's of science in engineering degree (systems science and engineering) from the School of Engineering and Applied Science, University of Pennsylvania, USA and a master's degree in business administration (finance) from the Wharton Graduate Program, University of Pennsylvania, USA. He is presently employed with affiliates of TA Associates as a Director and he is also a member on the board of directors of Micromax Informatics Limited, Fractal Analytics Private Limited and RateGain Travel Technologies Private Limited. He has about 10 years of experience in the field of private equity. He has been a Director of our Company since 2010, and is a member of our Stakeholders Relationship Committee and our IPO Committee.

Mr. Sandeep Singhal, aged 45 years, is a non-executive nominee Director on our Board. He holds a bachelor's degree in technology (chemical engineering) from the Indian Institute of Technology, Delhi, a master's degree in science (chemical engineering) from the University of Illinois, USA, a post-graduate diploma in management from the IIMA. He has about 14 years of investment advisory experience in India. He is presently the managing director of WestBridge Capital India Advisors Private Limited. In past he has been associated with Sequoia Capital India Advisors Private Limited as their managing director. Mr. Sandeep Singhal currently is also a director on the boards of Kajaria Ceramics Limited, DFM Foods Limited, Carzonrent India Private Limited, Nazara Technologies Private Limited and People Interactive (India) Private Limited. He has previously served on the Board of Directors of Just Dial Limited, AppLabs Technologies Private Limited, eClerx Services Limited, Stove Kraft Private Limited, GVK Biosciences Private Limited. He has been a Director of our Company since 2005 and is a member of our Nomination and Remuneration Committee and our IPO Committee.

Mr. Arun Duggal, aged 68 years, is an Additional (Independent) Director on our Board and has been associated with our Company since 2015 and is a member of the Audit Committee and the chairman of our Nomination and Remuneration Committee. He holds a bachelor's degree in technology (mechanical engineering) from the Indian Institute of Technology, Delhi and a post graduate diploma in business administration from the IIMA. He has about 27 years of experience in the field of banking. He has in past been associated with the Bank of America as their Country Chief Executive India.

Mr. Anoop Mahendra Singh, aged 45 years, is an Additional (Independent) Director on our Board and has been associated with our Company since 2015 and is a member of our Audit Committee. He holds a bachelor's degree in Arts from the University of Bombay, a master's degree in Arts (economics) from the University of Madras and a master's degree in business administration from the University of Melbourne, Australia. He is admitted to the status of Certified Practising Accountant of the Australian Society of Certified Practising Accountants. He has over 16 years of experience in the field of Finance. He has in past been associated with Australian Diagnostics Group Pty Limited, as their director, with Symbion Health Limited as Chief Financial and Operating Officer for their pathology division.

Mr. Sunil Varma, aged 71 years, is an Additional (Independent) Director on our Board and has been associated with our Company since 2015. He is currently the Chairman of our Audit Committee. He holds a bachelor's degree in arts from the Panjab University, is a fellow member of the Institute of Chartered Accountants of India and an associate of the Institute of Costs and Works Accountants of India. He has about 40 years of experience in the field of consulting.

Mr. Harneet Singh Chandhoke, aged 50 years, is an Additional (Independent) Director on our Board and has been associated with our Company since 2015. He is currently a member of our Nomination and Remuneration Committee and CSR Committee. He holds a bachelor's degree in commerce and a bachelor's degree in law from the

University of Delhi. He has about 24 years of experience in the field of law and is presently a Senior Partner at Luthra & Luthra Law Offices Litigation.

Mr. Saurabh Srivastava, aged 69 years, is an Additional (Independent) Director on our Board and has been associated with our Company since 2015. He is currently the chairman of our Stakeholders Relationship Committee and a member of our Nomination and Remuneration Committee. He holds a bachelor's degree in technology from the Indian Institute of Technology, Kanpur and a master's degree in business from the Harvard University. He has about 40 years of experience in the field of information technology. In past he has been inter alia associated with IBM, AV Thomas Software Research Limited, IIS Infotech Limited and NASSCOM.

Dr. Murugan Rajaram Pandian, aged 73 years, is an Additional (Independent) Director on our Board and has been associated with our Company since 2015. He holds a bachelor's degree in veterinary sciences from the University of Madras, a master's degree in science (biochemistry) and a doctorate degree in philosophy (biochemistry) from the All India Institute of Medical Sciences. He has over 14 years of experience in the field of academics and clinical biochemistry. He is associated with New York State Department of Health, USA as a Laboratory Director, has been a member of the Association of the Voluntary Clinical Faculty, University of California, Irvine School of Medicine, USA and has been a fellow of the National Academy of Clinical Biochemistry, USA.

Relationship between Directors

None of our Directors are related to each other, except (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal who are related to each other by marriage as husband and wife.

Remuneration details of our Directors

(1) *Remuneration details of our executive Directors*

The detail of remuneration for our executive Directors is as follows:

- (i) Pursuant to a board resolution dated August 21, 2015, (Hony.) Brig. Dr. Arvind Lal was last re-appointed as our Chairman and Managing Director for a term of five years with effect from August 21, 2015. He is entitled to a basic salary of ₹ 0.37 million per month, aggregating to ₹ 4.5 million per annum subject however to a ceiling of ₹ 0.75 million per month aggregating to ₹ 9.06 million per annum. In addition to his salary, he is also entitled to perquisites and allowances such as *inter alia* furnished residential accommodation, reimbursements for medical or vehicle expenses, for an aggregate value of such allowances and perquisites at ₹ 1.17 million per month aggregating to ₹ 14.10 million per annum, subject however to a ceiling of ₹ 2.37 million per month, aggregating to ₹ 28.50 million per annum. He is also entitled to performance linked incentive based on parameters of performance. Further, in addition to contribution by the Company towards provident fund, gratuity and other retirement benefits, he is also entitled to company maintained car(s) with driver, reimbursement for telecommunication connections at residence, personal accident and medical insurance, key man insurance, admission and annual membership fee for club(s), encashment of leave and such other benefits as may be applicable to the employees of the Company. He received a total remuneration of ₹ 17.34 million in Fiscal Year 2015.
- (ii) Pursuant to a board resolution dated August 21, 2015, Dr. Vandana Lal was last re-appointed as our Whole-time Director for a term of five years with effect from August 21, 2015. She is entitled to a basic salary of ₹ 0.30 million per month, aggregating to ₹ 3.6 million per annum subject however to a ceiling of ₹ 0.60 million per month aggregating to ₹ 7.26 million per annum. In addition to her salary, she is also entitled to perquisites and allowances such as *inter alia* furnished residential accommodation, reimbursements for medical or vehicle expenses, for an aggregate value of such allowances and perquisites at ₹ 0.94 million per month aggregating to ₹ 11.30 million per annum, subject however to a ceiling of ₹ 1.92 million per month aggregating to ₹ 23.04 million per annum. She is also entitled to performance linked incentive based on parameters

of performance. Further, in addition to contribution by the Company towards provident fund, gratuity and other retirement benefits, she is also entitled to company maintained car(s) with driver, reimbursements for telecommunication connections at residence, personal accident and medical insurance, key man insurance, admission and annual membership fee for club(s), encashment of leave and such other benefits as may be applicable to the employees of the Company. She received a total remuneration of ₹ 13.90 million in Fiscal Year 2015.

- (iii) Pursuant to a board resolution dated August 21, 2015, Dr. Om Prakash Manchanda was last re-appointed as our Chief Executive Officer and Whole-time Director for a term of five years with effect from August 21, 2015. He is entitled to a basic salary of ₹ 1.12 million per month, aggregating to ₹ 15 million per annum subject however to a ceiling of ₹ 2.27 million per month aggregating to ₹ 27.3 million per annum. In addition to his salary, he is also entitled to perquisites and allowances such as *inter alia* furnished residential accommodation, reimbursements for medical or vehicle expenses, for an aggregate value of such allowances and perquisites at ₹ 0.84 million per month aggregating to ₹ 10.10 million per annum, subject however to a ceiling of ₹ 1.7 million per month aggregating to ₹ 20.52 million per annum. He is also entitled to performance linked incentive which may be paid either in cash and/or stocks in terms of ESPS 2015. For further details see “*Capital Structure – Employee Stock Option Schemes – ESPS 2015*” on page 87. Further, in addition to contribution by the Company towards provident fund, gratuity and other retirement benefits, he is also entitled to company maintained car(s) with driver, reimbursement for telecommunication connections at residence, personal accident and medical insurance, admission and annual membership fee for club(s), encashment of leave and such other benefits as may be applicable to the employees of the Company. He received a total remuneration of ₹ 31.13 million in Fiscal Year 2015.

(2) **Remuneration details of our non-executive and independent Directors**

Pursuant to a resolution of our Board dated August 21, 2015, our independent directors are entitled to receive sitting fees of ₹ 50,000 for attending each meeting of our Board or committees of our Board, as applicable, and may also be entitled to a commission not exceeding 1% of the net profits of our Company and up to ₹ 0.75 million (or up to ₹ 1.00 million if also the chairman of a committee of the Board) subject to approval by the shareholders of our Company. None of our non-executive and independent Directors have received any sitting fees in Fiscal Year 2015.

Remuneration paid or payable from subsidiaries and associate companies

In Fiscal Year 2015, no remuneration has been paid to any of our Directors by any of our Subsidiaries.

Bonus or profit sharing plan for the Directors

Except as disclosed above in respect of the remuneration payable to (Hony.) Brig. Dr. Arvind Lal, Dr. Vandana Lal and Dr. Om Prakash Manchanda under “– *Remuneration details of our executive Directors*” on page 176, our Company does not have a bonus or profit sharing plan for our Directors.

Shareholding of our Directors

The Articles of Association do not require the Directors to hold any qualification shares.

Details of our Directors who hold Equity Shares as on the date of this Draft Red Herring Prospectus are as follows:

Name	No. of Equity Shares	% of pre-Offer Equity Share capital
(Hony.) Brig. Dr. Arvind Lal	28,234,880	44.72
Dr. Vandana Lal	17,988,640	28.49
Dr. Om Prakash Manchanda	1,131,988	1.79
Mr. Rahul Sharma	20,197	0.03

Details of our Directors who hold equity shares in our Subsidiaries as on the date of this Draft Red Herring Prospectus are as follows:

Name of Director	Name of Subsidiary	No. of equity shares	Percentage of issued capital of the Subsidiary
(Hony.) Brig. Dr. Arvind Lal	APL Institute of Clinical Laboratory & Research Private Limited	10	0.10

Service contracts with Directors

There are no service contracts entered into with any Directors which provide for benefits upon termination of employment.

Interest of Directors

All our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them. Further, our Directors may also be regarded as interested in the Equity Shares held by them or that may pursuant to this Offer, be subscribed by or allotted to their relatives or to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters.

Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares, held by them, as also to the extent of stock options that may be granted to them from time to time under ESOP 2010 or transferred to them from the Employee Welfare Trust in accordance with ESPS 2015. For further details, see the section titled “*Capital Structure – Employee Stock Option Schemes*” on page 84.

Mr. Naveen Wadhwa and Mr. Sandeep Singhal, our non-executive nominee Directors, may be deemed to be interested to the extent of shareholding of Wagner and WCF, the entities they represent on our Board, in our Company. For further details of the shareholding of these entities, see the section titled “*Capital Structure*” on page 71.

Interest in property

Our Directors have no interest in any property acquired by our Company within the two preceding years the date of filing of this Draft Red Herring Prospectus, or presently intended to be acquired by our Company.

Payment of benefits (non-salary related)

Except as stated in the section titled “*Payment of Amounts or Benefits to our Promoters or Promoter Group during the last two years*” on page 191 and the loans of ₹ 29.89 million, ₹ 36.35 million and ₹ 44.98 million granted by our Company to Dr. Om Prakash Manchanda to finance allotments of 165,920 Equity Shares, 201,760 Equity Shares and 249,600 Equity Shares under ESOP 2010, no amount of benefit (non-salary related) has been paid or given to any Directors within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment. For further details see “*Capital Structure – Sales or purchases of securities of our Company by our Promoters, the members of our Promoter Group or our Directors or their relatives during the six months preceding the date of this Draft Red Herring Prospectus*” on page 80.

Appointment of relatives to a place of profit

None of the relatives of the Directors have been appointed to an office or place of profit with our Company, except Dr. Archana Lal (daughter of (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal) and Mr. Anjaneya Lal (son of (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal), members of our Promoter Group, as a Consultant Pathologist and BDM, Veterinary Pathology, respectively.

Business interest

Our Directors do not have any interest in our business or our Company.

Directorships of Directors in listed companies

None of our Directors are, and for the five years prior to the date of filing the DRHP, have not been on the board of any listed company whose shares have been/were suspended from being traded on the BSE Limited or the National Stock Exchange of India Limited.

Mr. Arun Duggal was formerly an independent director on the board of directors of Adani Ports and Special Economic Zone Limited. Pursuant to an order of SEBI dated June 4, 2013, the promoters, members of the promoter group and directors of the company were restricted from buying, selling or otherwise dealing in securities of the company until compliance with minimum public shareholding requirements. The minimum public shareholding requirement was subsequently complied with by Adani Ports and Special Economic Zone Limited and such restriction was subsequently revoked by SEBI with effect from July 26, 2013.

None of our Directors have been or are directors on the board of listed companies which have been/were delisted from any stock exchange(s).

For details of our Directors' association with the securities market see the section titled "*Other Regulatory and Statutory Disclosures*" on page 383.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are as follows:

Name of Director	Date of appointment	Date of cessation	Designation	Reasons
(Hony.) Brig. Dr. Arvind Lal*	August 21, 2015	-	Chairman and Managing Director	Reappointment
Dr. Vandana Lal*	August 21, 2015	-	Whole-time Director	Reappointment
Dr. Om Prakash Manchanda*	August 21, 2015	-	Whole-time Director and Chief Executive Officer	Reappointment
Mr. Arun Duggal	August 21, 2015	-	Additional (Independent) Director	Appointment
Mr. Anoop Mahendra Singh	August 21, 2015	-	Additional (Independent) Director	Appointment
Mr. Sunil Varma	August 21, 2015	-	Additional (Independent) Director	Appointment
Mr. Harneet Singh Chandhoke	August 21, 2015	-	Additional (Independent) Director	Appointment
Mr. Saurabh Srivastava	August 21, 2015	-	Additional (Independent) Director	Appointment
Dr. Murugan Rajaram Pandian	August 28, 2015	-	Additional (Independent) Director	Appointment

**Pursuant to conversion into a public company, our Company by board resolution dated August 21, 2015 has re-appointed our whole-time Directors, the Chief Executive Officer and the Chairman & Managing Director for fixation of their terms in accordance with the provisions of the Companies Act, 2013. Their re-appointment is subject to such other approval/permissions as may be required and is also subject to the approval of shareholders in a general meeting.*

Borrowing Powers

Pursuant to our Articles of Association, subject to applicable laws, our Board is authorised to borrow sums of money for the purpose of our Company with or without security upon such terms and conditions as the Board may think fit which, together with the monies borrowed by the company (apart from the temporary loans obtained or to be obtained from the Company's banker in the ordinary course of business) shall not exceed the aggregate paid-up share capital and free reserves of our Company.

Corporate Governance

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the Equity Listing Agreements to be entered into with the Stock Exchanges will also be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges.

Our Chairman is an executive Director. As on the date of this Draft Red Herring Prospectus, there are 12 Directors on our Board, comprising three executive Directors, three non-executive Directors and six Independent Directors. Our Board consists of Dr. Vandana Lal as a woman Director. Our Company is in compliance with the corporate governance norms prescribed under Clause 49 of the Equity Listing Agreements and the Companies Act, 2013, particularly, in relation to appointment of independent Directors to our Board and constitution of Board-level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 49 of the Equity Listing Agreements and the Companies Act, 2013.

Board-level committees

In terms of the Equity Listing Agreement and the Companies Act, 2013, our Company, has constituted the following Board-level committees:

- (a) Audit committee;
- (b) Nomination and remuneration committee;
- (c) Stakeholders relationship committee; and
- (d) Corporate and social responsibility committee.

Audit Committee

Our Audit Committee was constituted by a resolution of our Board dated August 28, 2015, in compliance with Section 177 of the Companies Act, 2013 and the Equity Listing Agreements. The Audit Committee currently consists of:

Name	Position in the committee	Designation
Mr. Sunil Varma	Chairman	Additional (Independent) Director
Mr. Arun Duggal	Member	Additional (Independent) Director
Mr. Anoop Mahendra Singh	Member	Additional (Independent) Director

The Company Secretary shall act as the secretary to the Audit Committee.

Scope and terms of reference: The terms of reference of the Audit committee would perform the following functions with regard to accounts and financial management:

- (i) The Audit Committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present.
- (ii) The Chairman of the Audit Committee shall be present at the Annual General Meeting of the Company to answer shareholder queries.
- (iii) The Audit Committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the company. The finance director, head of internal audit and a representative of the statutory auditors of the Company may be present as invitees for the meetings of the Audit Committee.
- (iv) The Audit Committee shall have powers, which should include the following:

- (a) To investigate any activity within its terms of reference;
 - (b) To seek information from any employee of the Company;
 - (c) To obtain outside legal or other professional advice; and
 - (d) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- (v) The role of the Audit Committee shall include the following:
- (a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - (b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company ;
 - (c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors of the Company;
 - (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - 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;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions; and
 - Qualifications in the draft audit report.
 - (e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - (f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - (g) Review and monitor the auditor's independence and performance and effectiveness of audit process;
 - (h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
 - (i) Approval or any subsequent modification of transactions of the Company with related parties;
 - (j) Scrutiny of inter-corporate loans and investments;
 - (k) Valuation of undertakings or assets of the company, wherever it is necessary;
 - (l) Evaluation of internal financial controls and risk management systems;
 - (m) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - (n) 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;
 - (o) Discussion with internal auditors of any significant findings and follow up there on;
 - (p) 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;
 - (q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- (r) To look 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;
 - (s) To review the functioning of the whistle blower mechanism;
 - (t) Approval of the appointment of the Chief Financial Officer of the Company (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 - (u) Overseeing the vigil mechanism including to whom directors and employee shall report in case of any concern; and
 - (v) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (vi) The Audit Committee shall mandatorily review the following information:
- (a) Management discussion and analysis of financial condition and results of operations;
 - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
 - (c) Management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;
 - (d) Internal audit reports relating to internal control weaknesses; and
 - (e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was constituted by a resolution of our Board dated August 28, 2015, in compliance with Section 178 of the Companies Act, 2013 and the Equity Listing Agreements. The Nomination and Remuneration Committee currently consists of:

Name	Position in the committee	Designation
Mr. Arun Duggal	Chairman	Additional (Independent) Director
Mr. Harneet Singh Chandhoke	Member	Additional (Independent) Director
Mr. Saurabh Srivastava	Member	Additional (Independent) Director
Mr. Rahul Sharma	Member	Non-executive Director
Mr. Sandeep Singhal	Member	Non-executive Nominee Director

The Company Secretary shall act as the secretary to the Nomination and Remuneration Committee.

Scope and terms of reference: The terms of reference of Nomination and Remuneration Committee are as follows:

- (i) The Chairman of the Nomination and Remuneration Committee or in his absence, any other member of the committee authorised by him in this behalf shall attend the general meetings of the Company to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.
- (ii) The powers of the Nomination and Remuneration Committee shall be as follows:
 - (a) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with a prescribed criteria, recommend to the Board their appointment and removal.
 - (b) Lay down the evaluation criteria for performance evaluation of independent directors and the Board.
 - (c) Carry out evaluation of every director's performance and also the performance of the Board.
 - (d) Formulation of the criteria for determining, qualifications, positive attributes and independence of a director.
 - (e) Recommending to the Board a policy, relating to the remuneration of directors, key managerial personnel and other employees. While formulating the policy, the committee must ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
 - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - Remuneration of Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (f) Devise a policy on Board diversity.
- (g) Perform such functions as are required to be performed by the Compensation Committee under the SEBI (Share Based Employee Benefits) Regulations, 2014
- (h) Framing suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including SEBI (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company and its employees, as applicable
- (i) Perform such other activities as may be delegated by the Board of Directors and/or statutorily prescribed under any law to be attended to by such Committee.

Stakeholders Relationship Committee

Our Stakeholders' Relationship Committee was constituted by a resolution of our Board dated August 28, 2015, in compliance with Section 178 of the Companies Act, 2013 and the Equity Listing Agreements. The Stakeholders' Relationship Committee currently comprises of:

Name	Position in the committee	Designation
Mr. Saurabh Srivastava	Chairman	Additional (Independent) Director
Mr. Rahul Sharma	Member	Non-executive Director
Mr. Naveen Wadhwa	Member	Non-executive Nominee Director

The Company Secretary shall act as the secretary to the Stakeholders' Relationship Committee.

Scope and terms of reference: The terms of reference of Stakeholders' Relationship Committee are as follows:

- (i) The Chairman of the Stakeholders Relationship Committee shall be present at general meetings of the Company, or in the absence of the chairman, any other member of the Stakeholders Relationship Committee authorized by the chairman in this behalf;
- (ii) The powers of the Stakeholders Relationship Committee shall be as follows:
- (a) Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;
 - (b) Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and re-materialization of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time; and
 - (c) Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services.
 - (d) Carrying out such other functions as may be specified by the Board from time to time.

Corporate Social Responsibility Committee

Our CSR was constituted by a resolution of our Board dated October 8, 2014, in compliance with Section 135 of the Companies Act, 2013 and was thereafter reconstituted by a board resolution dated August 28, 2015. The CSR Committee currently comprises of:

Name	Position in the committee	Designation
(Hony.) Brig. Dr. Arvind Lal	Chairman	Chairman and Managing Director
Dr. Om Prakash Manchanda	Member	Whole-time Director and Chief Executive Officer
Mr. Harneet Singh Chandhoke	Member	Additional (Independent) Director

The Company Secretary shall act as the secretary to the CSR Committee.

Scope and terms of reference: the terms of reference of the CSR Committee shall *inter-alia*, include the following:

- (i) Formulate and Recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- (ii) Recommend the amount of expenditure to be incurred on the Corporate Social Responsibility activities referred in Schedule VII of the Companies Act, 2013.
- (iii) Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- (iv) Such other activities as the Board of Directors may determine from time to time.

IPO Committee

In addition to above committees, our Board has also constituted an IPO Committee pursuant to a resolution dated August 28, 2015, which currently comprises of:

Name	Position in the committee	Designation
(Hony.) Brig. Dr. Arvind Lal	Member	Chairman and Managing Director
Dr. Vandana Lal	Member	Whole-time Director
Dr. Om Prakash Manchanda	Member	Whole-time Director and Chief Executive Officer
Mr. Naveen Wadhera	Member	Nominee Director
Mr. Sandeep Singhal	Member	Nominee Director

Scope and terms of reference: The terms of reference of the IPO committee are as follows:

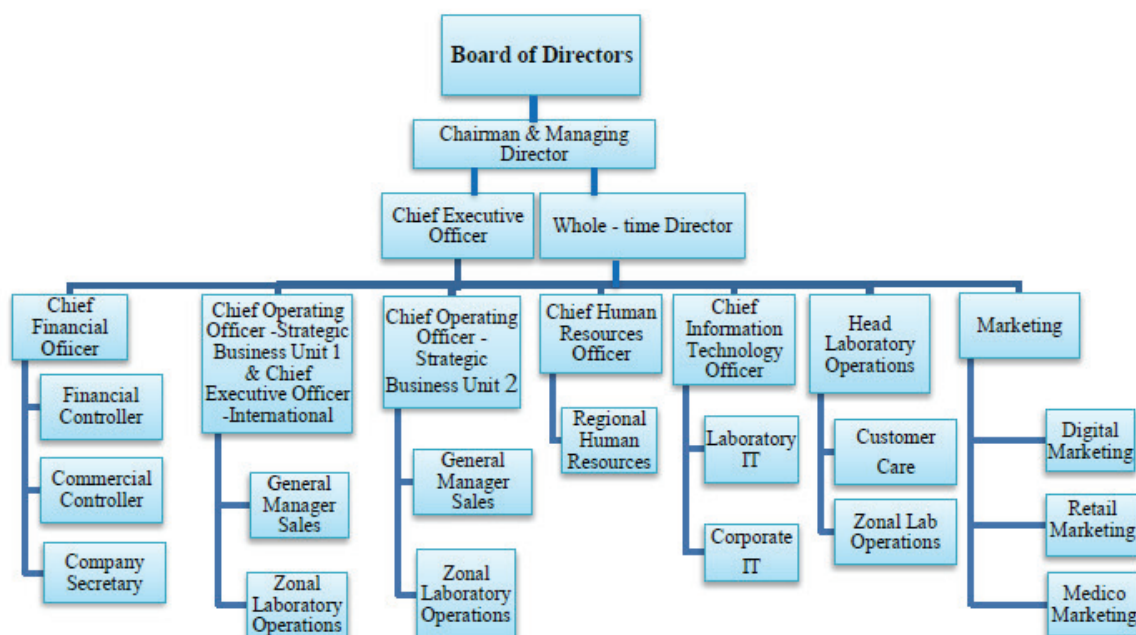
- (i) To decide on the actual size (including any reservation for employees, employees or shareholders of group companies and/or any other reservations or firm allotments as may be permitted), timing, pricing and all the terms and conditions of the issue of the Equity Shares for the IPO, including the price, and to accept any amendments, modifications, variations or alterations thereto;
- (ii) To invite the existing shareholders of the Company to participate in the IPO to offer for sale Equity Shares held by them at the same price as in the IPO;
- (iii) To appoint and enter into arrangements with the BRLMs, underwriters to the IPO, syndicate members to the IPO, brokers to the IPO, advisors to the IPO, escrow collection bankers to the IPO, registrars to the IPO, refunds banks to the IPO, public issue account banks to the IPO, legal counsel and any other agencies or persons or intermediaries to the IPO and to negotiate and finalise the terms of their appointment, including but not limited to execution of the BRLMs' mandate letter, negotiation, finalisation and execution of the issue agreement with the BRLMs;

- (iv) To finalise, settle, execute and deliver or arrange the delivery of the syndicate agreement, underwriting agreement, escrow agreement and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever with the registrar to the IPO, legal advisors, auditors, stock exchanges, BRLMs and any other agencies/intermediaries in connection with the IPO with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents;
- (v) To finalise, settle, approve and adopt the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, and the preliminary and final international wrap for the IPO and take all such actions as may be necessary for filing of these documents including incorporating such alterations/corrections/modifications as may be required by SEBI or any other relevant governmental and statutory authorities;
- (vi) To make applications, if necessary, to the Foreign Investment Promotion Board, the RBI or to any other statutory or governmental authorities in connection with the IPO and, wherever necessary, incorporate such modifications/ amendments/ alterations/ corrections as may be required in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus;
- (vii) To open and operate bank account(s) of the Company in terms of the escrow agreement for handling of refunds for the IPO and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- (viii) To approve code of conduct as may be considered necessary by the IPO Committee or as required under applicable laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;
- (ix) To approve a suitable policy on insider trading as required under applicable laws, regulations and guidelines;
- (x) To seek, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, and any other consents that may be required in connection with the IPO, if any;
- (xi) To approve any corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under applicable laws, regulations or guidelines in connection with the IPO;
- (xii) To open and operate a bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013 and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- (xiii) To determine and finalise the floor price/price band for the IPO, approve the basis for allocation and confirm allocation of the Equity Shares to various categories of persons as disclosed in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, in consultation with the BRLMs and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to, the IPO;
- (xiv) To issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more Indian stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;

- (xv) To make applications for listing of the shares in one or more Indian 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);
- (xvi) To do all such deeds and acts as may be required to dematerialize the Equity Shares of the Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the aforestated documents;
- (xvii) To authorize and approve the incurring of expenditure and payment of fees, commissions, remuneration and expenses in connection with the IPO;
- (xviii) To do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, determining the anchor investor portion and allocation to anchor investors, finalising the basis of allocation and allotment of Equity Shares to the successful allottees as permissible in law and issue of share certificates in accordance with the relevant rules;
- (xix) To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit;
- (xx) To take such action, give such directions, as may be necessary or desirable as regards the IPO and to do all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the IPO, as are in the best interests of the Company;
- (xxi) To execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the IPO and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing; and
- (xxii) To delegate any of the powers mentioned in (i) to (xxi) to Dr. Om Prakash Manchanda, CEO and Whole Time Director and Mr. Dilip Bidani, Chief Financial Officer of the Company.

Our IPO Committee is also authorized to make any alteration, addition or make any variation in relation to the IPO, in consultation with the BRLMs or SEBI or such other authorities as may be required, and without prejudice to the generality of the above-mentioned terms of reference, deciding the exact IPO structure and the exact component of issue of Equity Shares.

Management organisation structure



Key Managerial Personnel

As per Section 2(51) of the Companies Act, 2013, the key managerial personnel of our Company (“**Key Managerial Personnel**”) are:

1. (Hony.) Brig. Dr. Arvind Lal, Chairman and Managing Director;
2. Dr. Vandana Lal, whole-time Director;
3. Dr. Om Prakash Manchanda, whole-time Director and Chief Executive Officer;
4. Mr. Dilip Bidani, Chief Financial Officer; and
5. Mr. Rajat Kalra, Company Secretary and Compliance Officer.

Brief profiles of our Key Managerial Personnel

For a brief profile of (Hony.) Brig. Dr. Arvind Lal, Dr. Vandana Lal and Dr. Om Prakash Manchanda, see “– *Brief Profiles of our Directors*” above on page 174.

The details of our other Key Managerial Personnel as of the date of this Draft Red Herring Prospectus are as follows:

Mr. Dilip Bidani, aged 53 years, is our Chief Financial Officer and has been associated with our Company since March 2014. He holds a bachelor’s degree in commerce from the University of Calcutta, post-graduate diploma in management from the IIMA and is a member of the Institute of Chartered Accountants of India. He has in the past been associated with (at the time) IEL Limited as a member of their management, (at the time) Hindustan Lever Limited as their Manager Accounts, Avon Beauty as their Director Finance, Orbis Financial Corporation Limited as their Director- Finance and Operations, Manpower Services India Private Limited as their Chief Financial Officer as well as with Mother Dairy Foods Limited and Mother Dairy Fruit and Vegetable Limited as their Chief Financial Officer. He is currently responsible for legal, commercial, projects and finance functions. He has over 27 years of experience in the field of finance. He received a total remuneration of ₹ 15.23 million in Fiscal Year 2015.

Mr. Rajat Kalra, aged 38 years, is our Company Secretary and Compliance Officer and has been associated with our Company since June 2015. He holds a bachelor's degree in commerce from the University of Delhi, bachelor's degree in law from the Chaudhary Charan Singh University, Meerut and is a fellow member of the Institute of Company Secretaries of India and the Institute of Chartered Secretaries and Administrators, London. He has in the past been associated with Ballarpur Industries Limited as their Management Trainee, with Indraprastha Gas Limited as their Secretarial Trainee, with Aricent Technologies (Holdings) Limited as their Lead Executive – Finance and Assistant Company Secretary, and with Infinite Computer Solutions Limited as their Assistant Vice President and Company Secretary. He is currently responsible for secretarial and legal functions. He has about 14 years of experience in the field of secretarial compliance. He joined our Company in June 2015, and did not receive any remuneration in Fiscal Year 2015.

All the Key Management Personnel are permanent employees of our Company.

Relationship among Key Managerial Personnel

Except (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal who are related to each other by marriage as husband and wife, none of our Key Managerial Personnel are related to each other.

Bonus or profit sharing plan for the Key Managerial Personnel

The remuneration paid to certain of our Key Managerial Personnel includes a performance based amount which is earmarked to finance the transfer of Equity Shares from the Employee Welfare Trust determined in accordance with ESPS 2015 and/or which is determined by our Board in its discretion.

Shareholding of Key Managerial Personnel

Details of our Key Managerial Personnel who hold Equity Shares as on the date of this Draft Red Herring Prospectus are as follows:

Name	No. of Equity Shares	% of pre-Offer Equity Share capital
(Hony.) Brig. Dr. Arvind Lal	28,234,880	44.72
Dr. Vandana Lal	17,988,640	28.49
Dr. Om Prakash Manchanda	1,131,988	1.79
Mr. Dilip Bidani	8,978	0.01

Details of our Key Managerial Personnel who hold equity shares in our Subsidiaries as on the date of this Draft Red Herring Prospectus are as follows:

Name of Director	Name of Subsidiary	No. of equity shares	Percentage of issued capital of the Subsidiary
(Hony.) Brig. Dr. Arvind Lal	APL Institute of Clinical Laboratory & Research Private Limited	10	0.10

Service Contracts with Key Managerial Personnel

Other than as disclosed under “– *Service Contracts with Directors*” on page 178, our Company has not entered into any service contracts, pursuant to which its officers, including its Directors and Key Management Personnel, are entitled to benefits upon termination of employment.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company including Directors and Key Management Personnel, are entitled to any benefit upon termination of employment or superannuation.

Interest of Key Managerial Personnel

None of our Key Managerial Personnel have any interest in our Company except to the extent of their shareholding in our Company, remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business and stock options that may be granted to them from time to time under ESOP 2010 and transferred to them in accordance with ESPS 2015. None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with our company's major shareholders, customers or suppliers or others. For further details regarding the shareholding of our Key Managerial Personnel and grants pursuant to ESOP 2010 and transfers pursuant to ESPS 2015, see the sections titled "*Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company*" and "*Capital Structure – Notes to Capital Structure – Employee Stock Option Schemes*" on pages 82 and 84 respectively.

Contingent and deferred compensation payable to Key Managerial Personnel

There is no contingent or deferred compensation payable to our Key Managerial Personnel which does not form part of their remuneration.

Arrangements and understanding with major shareholders, customers, suppliers or others

Except for Mr. Naveen Wadhwa and Mr. Sandeep Singhal, our non-executive nominee Directors, who have been appointed as nominees of Wagner and WCF, respectively, none of our Directors or Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others. For details of the shareholders' agreements pursuant to which Mr. Naveen Wadhwa and Mr. Sandeep Singhal were appointed on our Board, see the section titled "*History and Certain Corporate Matters – Share Purchase and Shareholders' Agreements*" on page 161.

Changes in Key Managerial Personnel during the last three years

The changes in our Key Managerial Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus are as follows:

Name	Designation	Date of appointment	Date of cessation	Reason
Mr. Hemant Sultania	CFO & company secretary	November 7, 2007	November 27, 2013	Resignation
Mr. Dilip Bidani	CFO	March 6, 2014	-	Appointment
Mr. Rajat Kalra	Company Secretary and Compliance Officer	June 12, 2015	-	Appointment

Employee stock option and stock purchase schemes

For details of ESOP 2010 and ESPS 2015, see the section titled "*Capital Structure – Employee Stock Option Schemes*" on page 84.

Payment of non-salary related benefits to officers of our Company

No amount of benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. (Hony.) Brig. Dr. Arvind Lal;
2. Dr. Vandana Lal; and
3. Eskay House (HUF).

For details of the build-up of our Promoters' shareholding in our Company, see section titled "*Capital Structure – Notes to Capital Structure*" on page 73.

The details of our Promoters are as follows:



Identification Particulars	Details
Voter ID Number	BVX0798132
Driving License Number	DL-0319950279594

(Hony.) Brig. Dr. Arvind Lal, aged 66 years, is the Chairman and Managing Director of our Company. For further details, see section titled "*Our Management*" on page 170.



Identification Particulars	Details
Voter ID Number	DL/02/009/078833
Driving License Number	DL-0319960279595

Dr. Vandana Lal, aged 58 years, is a Director of our Company. For further details, see the section titled "*Our Management*" on page 170.

Identification Particulars	Details
Permanent Account Number	AAAHE0055K

Eskay House (HUF) came into existence on November 2, 1964 and (Hony.) Brig. Dr. Arvind Lal is its Karta with Dr. Vandana Lal, Dr. Archana Lal and Mr. Anjaneya Lal as its members.

We confirm that the details of the PAN and bank account numbers in relation to our Promoters, as well the passport numbers for our individual Promoters, will be submitted to the Stock Exchanges at the time of submission of the Draft Red Herring Prospectus with the Stock Exchanges.

Interest of Promoters

Interest of Promoters in the Promotion of our Company

Our Promoters are interested in our Company to the extent of their shareholding and/or directorship in our Company and the dividend declared, if any, by our Company. For further details, see the section titled "*Capital Structure*" and "*Our Management*" on pages 71 and 170, respectively.

Interest of Promoters in the Property of our Company

Our Promoters do not have any interest in any property acquired by our Company within two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of filing of the Draft Red Herring Prospectus or in any transaction for acquisition of land, construction of buildings and supply of

machinery.

Interest of Promoters in our Company other than as Promoters

Except as stated in this section and the sections titled “*Our Business*”, “*Our Management*”, “*History and Certain Corporate Matters*”, “*Financial Indebtedness*” and “*Related Party Transactions*” on pages 134, 170, 157, 356 and 194, respectively, our Promoters do not have any interest in our Company other than as promoters.

Interest of Promoters in Intellectual Property

Our Promoters are not interested in any entity, other than our Company, that holds any intellectual property rights that are used by our Company. For details of intellectual property rights which are registered in the name of our Promoters and used by our Company, see the section titled “*Government and Other Approvals – Intellectual property related approvals*” on page 374.

Common Pursuits of our Promoters

Except as disclosed in the section titled “*History and Certain Corporate Matters – Common Pursuits*” on page 169, our Promoters are not involved with any ventures which are in the same line of activity or business as that of our Company.

Payment of Amounts or Benefits to our Promoters or Promoter Group during the last two years

Our Promoters, Eskay House (HUF) and (Hony.) Brig. Dr. Arvind Lal receive rental income from our Company in connection with the lease of our Registered Office in accordance with the terms of a lease agreement dated June 1, 2008 and will continue to receive rental income pursuant to its terms until the lease is terminated. In addition, Dr. Vandana Lal also receives rental income from our Company for certain locations where we operate and (Hony.) Brig. Dr. Arvind Lal also received rental income in his capacity as a partner of Central Clinical Laboratory in connection with for certain locations where we operate in Fiscal Years 2014 and 2015. For further details see the section titled “*Related Party Transactions*” on page 194. Except for transactions disclosed in this sub-section, above in “*– Interest of Promoters*” on page 190, dividends received by members of our Promoter Group and amounts received by Dr. Archana Lal and Mr. Anjaneya Lal in their capacities as Consultant Pathologist and BDM, Veterinary Pathology, respectively, no amount or benefit has been paid by our Company to our Promoters or the members of our Promoter Group in the two years preceding the date of this Draft Red Herring Prospectus.

Related Party Transactions

Except as stated in the section titled “*Related Party Transactions*” on page 194, our Company has not entered into any related party transactions with our Promoters.

Confirmations

Our Company has not made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company.

Disassociation by Promoters in the Last Three Years

Our Promoters have not disassociated from any venture during the three years preceding the date of filing of this Draft Red Herring Prospectus.

Outstanding Litigation

Except as disclosed in the section titled “*Outstanding Litigation and Material Developments – Litigation Involving our Promoters*” on page 365, there is no litigation or legal action pending or taken by a ministry, department of the

government or statutory authority during the last five years preceding the date of this Draft Red Herring Prospectus against our Promoters.

Promoter Group

(a) Natural Persons

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:

S. No.	Name	Relation with Promoters
1.	Dr. Archana Lal	Daughter of (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal
2.	Mr. Anjaneya Lal	Son of (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal
3.	Mr. Ashish Mehta	Brother of Dr. Vandana Lal
4.	Ms. Anuradha Roy	Sister of Dr. Vandana Lal

(b) Companies and entities

In addition to our Subsidiaries, as listed in the section titled “*History and Certain Corporate Matters – Subsidiaries of our Company*” on page 165, the companies and entities that form part of our Promoter Group are as follows:

S. No.	Name of Promoter Group Entity
<i>Companies</i>	
1.	Archana Pharmaceuticals Private Limited
2.	Doon MRI Private Limited
3.	Kalmatia Sangam Travels Private Limited
<i>Firms</i>	
4.	Central Clinical Laboratory

Shareholding of the Promoter Group in our Company

Dr. Archana Lal and Mr. Anjaneya Lal, members of our Promoter Group, hold 2,240,000 Equity Shares each as of the date of this Draft Red Herring Prospectus. For further details of their shareholding see the section titled “*Capital Structure – Notes to Capital Structure*” on page 73.

OUR GROUP COMPANIES

As per the requirements of SEBI Regulations, for the purpose of identification of ‘group companies’, our Company considered companies as covered under the applicable accounting standards, being Accounting Standard 18 (as mentioned in our restated consolidated financial statements for Fiscal Year 2015), or other companies as considered material by our Board. Pursuant to a resolution of our Board dated August 28, 2015, for the purpose of disclosure in offer documents for the Offer, a company shall be considered material and disclosed as a ‘Group Company’ if (i) the investment in the form of equity or loan by our Company exceeds 10% of the consolidated retained earnings of our Company for the Fiscal Year 2015; and (ii) our Company has entered into one or more transactions with such company in Fiscal Year 2015, cumulatively exceeding 10% of the total consolidated revenue of our Company for Fiscal Year 2015. Further, with respect to the companies forming part of our Promoter Group, a company will be considered to be a ‘group company’ for the purpose of disclosure in the Draft Red Herring Prospectus if a material adverse effect on such companies would have a material adverse effect on our Company.

Based on the above, there are no group companies of our Company.

RELATED PARTY TRANSACTIONS

For details on related party transactions of our Company during the last five financial years, as per the requirements under Accounting Standard 18 - '*Related Party Disclosures*', see Annexure XXXIII of our restated unconsolidated financial statements and Annexure XXXIV of our restated consolidated financial statements in the section titled "*Financial Statements*" on pages 247 and 320, respectively.

DIVIDEND POLICY

Our Company does not have any formal dividend policy. The declaration and payment of dividends are governed by the applicable provisions of the Companies Act, 2013 and the Articles of Association of our Company and will depend on a number of other factors, including the results of operations, financial condition, capital requirements and surplus, contractual restrictions and other factors considered relevant by our Board.

The dividends declared by our company in Fiscal Years 2015, 2014, 2013, 2012 and 2011 as per our restated financial statements are as given below:

Equity Shares

Particulars	For the year ending March 31				
	2015	2014 [*]	2013	2012	2011
Face value per share (₹)	10	100	100	100	100
Dividend (₹ million)	83.78	57.14	51.76	86.21	55.72
Dividend (in ₹ per share)	1.53	10.64	154.28	257.00	164.28
Dividend Tax (₹ million)	17.06	9.71	8.80	13.99	9.04
Equity Share Capital (₹ million)	546.30	536.78	33.55	33.54	33.92
Rate of dividend (%)	15.34	10.64	154.28	257.00	164.28

^{*} Bonus shares were issued by our Company in the ratio 1:15. For further details, see the section titled "Capital Structure" on page 71.

Preference shares

Particulars	For the year ending March 31				
	2015	2014 [*]	2013	2012	2011
Face value per share (₹)	10	100	100	100	100
Dividend (₹ million)	40.85	28.34	25.68	42.77	27.34
Dividend (in ₹ per share)	1.53	10.64	154.28	257.00	164.29
Dividend Tax (₹ million)	8.32	4.82	4.36	6.94	4.44
Preference Share Capital (₹ million)	266.32	266.32	16.65	16.65	16.65
Rate of dividend (%)	15.34	10.64	154.28	257.00	164.29

^{*} Bonus shares were issued by our Company in the ratio 1:15. For further details, see the section titled "Capital Structure" on page 71.

The amount paid as dividend in the past is not necessarily indicative of the dividend policy or dividend amount, if any, in the future.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Report of auditors on the restated unconsolidated summary statement of assets and liabilities as at March 31, 2015, 2014, 2013, 2012 and 2011 and profits and losses and cash flows for each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011 of Dr. Lal PathLabs Limited

The Board of Directors
Dr. Lal PathLabs Limited, [Formerly Dr. Lal PathLabs Private Limited]
12th Floor, Tower-B, SAS Tower,
Medicity, Sector-38, Gurgaon-122001, Haryana
India

Dear Sirs,

1. We have examined the restated unconsolidated summary statements of Dr. Lal PathLabs Limited ('the Company') as at March 31, 2015, 2014, 2013, 2012 and 2011 and for each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011 annexed to this report for the purpose of inclusion in the offer document (collectively the "Restated Unconsolidated Financial Information") prepared by the Company in connection with its proposed Initial Public Offer ("IPO").

Such restated unconsolidated financial information, which has been approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of:

- a. Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of The Companies Act 2013 (the "Act") read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014; and
 - b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.
2. We have examined such restated unconsolidated financial information taking into consideration:
 - a. the terms of our engagement agreed with you vide our engagement letter dated August 21, 2015, requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed IPO; and
 - b. the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.
 3. The Company proposes to make an initial public offer for sale by certain shareholders' existing equity shares of Rs 10 each at such premium, arrived at by book building process (referred to as the "Issue"), as may be decided by the Company's Board of Directors.
 4. The restated unconsolidated financial information has been compiled by the management from the audited unconsolidated financial statements of the Company as at and for each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011 prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the board of directors on August 18, 2015, September 24, 2014, August 21, 2013, September 20, 2012 and July 11, 2011, respectively, and books of account, financial and other records of the Company in relation to the year ended March 31, 2011, to the extent considered necessary, for the presentation of the Restated Unconsolidated Financial Information under the requirements of the Schedule III of the Companies Act, 2013.
 5. For the purpose of our examination, we have relied on
 - a. the financial statements of the Company for the year ended March 31, 2015, 2014 and 2013 audited by us, in respect of which we have issued our auditor's reports dated August 18, 2015, September 24, 2014 and August 21, 2013, respectively;
 - b. the financial statements for the year ended March 31, 2014 of five subsidiaries of the Company which have merged with the Company pursuant to Scheme of Amalgamation approved by the respective high courts with effect from April 1, 2013 ("the appointed date"), which were audited by other Firms of Chartered Accountants, in respect of profit after tax of Rs.73.90 million of these subsidiaries for the year ended on March 31, 2014 included in the Statement of Profit and Loss of the Company for the year ended March 31, 2015 and other amounts and disclosures included in respect of these subsidiaries in the financial statements. This matter was also referred to in our auditor's report on the financial statements for the year ended 31 March 2015.

- c. the financial statements of the Company for the years ended March 31, 2012 and 2011 audited by S R B C & CO (Formerly S.R. Batliboi & Co.), in respect of which S R B C & CO has issued the auditor's reports dated September 20, 2012 and July 11, 2011, respectively and books of account, financial and other records of the Company in relation to the year ended March 31, 2011, to the extent considered necessary, for the presentation of the Restated Unconsolidated Financial Information under the requirements of the Schedule III of the Companies Act, 2013.
6. In accordance with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Act read with rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the Regulations and terms of our engagement agreed with you, we report that, read with paragraph 5 above, we have examined the Restated Unconsolidated Financial Information as at and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 as set out in Annexures I to III.
7. Based on our examination and the audited financial statements of the Company for each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011, we report that:
 - a. the restated unconsolidated profits have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in Annexure IV (Part A) and Annexure IV (Part C) to this report;
 - b. There are no changes in accounting policy in the financial statements as at and for the year ended March 31, 2015, 2014, 2013, 2012 and 2011;
 - c. Adjustments for the material amounts in the respective financial years to which they relate have been adjusted in the attached restated unconsolidated summary statements;
 - d. There are no extraordinary items which need to be disclosed separately in the restated unconsolidated summary statements;
 - e. There are no qualifications in the auditors' reports, which require any adjustments to the restated unconsolidated summary statements;
 - f. Emphasis of Matters reported in the unconsolidated financial statements for the years ended March 31, 2012 and March 31, 2011 which do not require any adjustment to the Restated unconsolidated financial information, are as follows:
 - I. For the year ended March 31, 2012 (Refer note A of Annexure IV (Part B))

Without qualifying our opinion, we draw attention to Note No. 14(a) of Schedule 22 of the financials statement. The Company has not made any provision for diminution in value of investment in equity shares of Rs. 5.56 million and unsecured interest free loans of Rs. 28.20 million given to Medex Healthcare Private Limited, a wholly owned subsidiary of the Company, whose net worth was eroded fully, in view of strategic long-term investment in the said subsidiary and based on its future profitability projections.
 - II. For the year ended March 31, 2011 (Refer note A of Annexure IV (Part B))

Without qualifying our opinion, we draw attention to Note No. 38(a) of the financials statement. The Company has not made any provision for diminution in value of investment in equity shares of Rs. 5.56 million and unsecured interest free loans of Rs. 23.13 million given to Medex Healthcare Private Limited, a wholly owned subsidiary of the Company, whose net worth was eroded fully, in view of strategic long-term investment in the said subsidiary and based on its future profitability projections.
 - g. Other audit qualifications included in the annexure to the audit report issued in terms of the requirements of the Companies (Auditor's Report) Order, 2015 / 2003 (as amended) on the financial statements for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 which do not require any corrective adjustment in the restated unconsolidated financial information, are as follows:
 - I. For the year ended March 31, 2015 (Refer note B of Annexure IV (Part B))
 1. Clause (vii) (a)

The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it though there has been a slight delay in a few cases. According to the explanations given to us, investor education and protection fund and excise duty are not applicable to the Company.
 - II. For the year ended March 31, 2014 (Refer note B of Annexure IV (Part B))

1. Clause (ix) (a)

Undisputed statutory dues including provident fund or employees' state insurance, income-tax, wealth-tax, service tax, customs duty, cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the explanations given to us, investor education and protection fund, sales tax and excise duty are not applicable to the Company.

2. Clause (ix) (c)

According to the records of the Company, the dues outstanding of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess on account of any disputes are as follows:

Name of the Statue	Nature of dues	Amount (Rs in million)	Period for which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Demand on Assessment	0.04	F.Y. 2009-10	Commissioner of Income Tax (Appeals)

III. For the year ended March 31, 2013 (Refer note B of Annexure IV (Part B))

1. Clause (ix) (a)

Undisputed statutory dues including provident fund or employees' state insurance, income-tax, wealth-tax, service tax, customs duty, cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the explanations given to us, investor education and protection fund, sales tax and excise duty are not applicable to the Company.

2. Clause (ix) (c)

According to the records of the Company, the dues outstanding of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess on account of any disputes are as follows:

Name of the Statue	Nature of dues	Amount (Rs in million)	Period for which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Demand on Assessment	1.09	F.Y. 2008-09 & F.Y. 2009-10	Commissioner of Income Tax (Appeals)

IV. For the year ended March 31, 2012 (Refer note B of Annexure IV (Part B))

1. Clause (ix) (a)

Undisputed statutory dues including provident fund or employees' state insurance, income-tax, wealth-tax, service tax, customs duty, cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the explanations given to us, investor education and protection fund, sales tax and excise duty are not applicable to the Company.

2. Clause (ix) (b)

According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, income-tax, wealth-tax, service-tax, custom duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable except in respect of employees' state insurance, which are as follows:

Amounts (in Rs million)	Period
0.00	May, 2011
0.41	July, 2011
0.30	August, 2011
0.01	September, 2011
0.72	

The aforesaid amounts have been paid subsequently to the year end.

3. Clause (ix) (c)

According to the records of the Company, the dues outstanding of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess on account of any disputes are as follows:

Name of the Statute	Nature of dues	Amount (Rs in million)	Period for which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Demand on Assessment	0.68	F.Y. 2008-09	Commissioner of Income Tax (Appeals)

V. For the year ended March 31, 2011 (Refer note B of Annexure IV (Part B))

1. Clause (ix) (a)

Undisputed statutory dues including provident fund or employees' state insurance, income-tax, wealth-tax, service tax, customs duty and other material statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the explanations given to us, investor education and protection fund, sales tax and excise duty are not applicable to the Company.

Further, since the Central Government has till date not prescribed the amount of cess payable under Section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

8. We have not audited or reviewed any financial statements of the Company as of any date or for any period subsequent to March 31, 2015. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to March 31, 2015.

Other Financial Information

9. At the Company's request, we have also examined the following unconsolidated financial information proposed to be included in the offer document prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011:

- i. Restated Unconsolidated Statement of Share Capital, enclosed as Annexure VI
- ii. Restated Unconsolidated Statement of Reserves and Surplus, enclosed as Annexure VII
- iii. Restated Unconsolidated Statement of Long Term Borrowings, enclosed as Annexure VIII
- iv. Restated Unconsolidated Statement of Trade Payables and Other Liabilities, enclosed as Annexure IX
- v. Restated Unconsolidated Statement of Provisions, enclosed as Annexure X
- vi. Restated Unconsolidated Statement of Short Term Borrowings, enclosed as Annexure XI
- vii. Restated Unconsolidated Statement of Tangible Fixed Assets, enclosed as Annexure XII
- viii. Restated Unconsolidated Statement of Intangible Fixed Assets, enclosed as Annexure XIII
- ix. Restated Unconsolidated Statement of Expenditure During Construction Period, enclosed as Annexure XIII A
- x. Restated Unconsolidated Statement of Non-Current Investments, enclosed as Annexure XIV
- xi. Restated Unconsolidated Statement of Deferred Tax Assets (Net), enclosed as Annexure XV
- xii. Restated Unconsolidated Statement of Loans and Advances (Long Term And Short Term), enclosed as Annexure XVI
- xiii. Restated Unconsolidated Statement of Other Assets, enclosed as Annexure XVII
- xiv. Restated Unconsolidated Statement of Current Investments, enclosed as Annexure XVIII
- xv. Restated Unconsolidated Statement of Inventories, enclosed as Annexure XIX
- xvi. Restated Unconsolidated Statement of Trade Receivables, enclosed as Annexure XX
- xvii. Restated Unconsolidated Statement of Cash and Bank Balances, enclosed as Annexure XXI
- xviii. Restated Unconsolidated Statement of Revenue From Operations, enclosed as Annexure XXII
- xix. Restated Unconsolidated Statement of Other Income, enclosed as Annexure XXIII-A

- xx. Restated Unconsolidated Statement of Interest Income, enclosed as Annexure XXIII-B
 - xxi. Restated Unconsolidated Statement of Cost Of Reagents, Chemicals, Surgical and Laboratory Supplies Consumed, enclosed as Annexure XXIV
 - xxii. Restated Unconsolidated Statement of Employee Benefits Expenses, enclosed as Annexure XXV
 - xxiii. Restated Unconsolidated Statement of Other Expenses, enclosed as Annexure XXVI
 - xxiv. Restated Unconsolidated Statement of Depreciation and Amortisation, enclosed as Annexure XXVII
 - xxv. Restated Unconsolidated Statement of Finance Costs, enclosed as Annexure XXVIII
 - xxvi. Restated Unconsolidated Statement of Accounting Ratios, enclosed as Annexure XXIX
 - xxvii. Capitalisation Statement, as appearing in Annexure XXX
 - xxviii. Restated Unconsolidated Statement of Tax Shelter, enclosed as Annexure XXXI
 - xxix. Restated Unconsolidated Statement of Dividend Declared, enclosed as Annexure XXXII
10. In our opinion, the financial information as disclosed in the Annexures to this report, read with the respective significant accounting policies and notes disclosed in Annexure V, Annexure XXXIII, Annexure XXXIV, Annexure XXXV and Annexure XXXVI and after making adjustments and regroupings as considered appropriate and disclosed in Annexures IV (Part A) and Annexure IV (Part C), have been prepared in accordance with the relevant provisions of the Act and the Regulations.
 11. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
 12. This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
 13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
 14. This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed public offer of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.: 301003E

per Anil Gupta
Partner
Membership No.: 87921

Place: Gurgaon
Date: August 28, 2015

ANNEXURE I: RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Amounts in Rs. million)

Particulars	Annexure	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
(1) Equity & Liabilities						
Shareholders' Funds						
(a) Share capital	VI	812.62	803.10	50.20	50.19	50.57
(b) Reserves & surplus	VII	2,379.75	1,354.93	1,468.31	1,070.05	875.46
(2) Non Current Liabilities						
(a) Long term borrowings	VIII	-	-	-	-	37.50
(b) Trade payables	IX	82.06	62.68	51.62	30.45	15.99
(c) Other long term liabilities	IX	114.70	140.03	106.39	62.98	49.83
(d) Long term provisions	X	-	1.07	0.01	14.49	11.36
(3) Current Liabilities						
(a) Short term borrowings	XI	-	0.10	-	-	141.72
(b) Trade payables	IX	328.11	318.10	280.83	216.47	155.47
(c) Other current liabilities	IX	584.45	502.71	420.52	70.34	191.82
(d) Short term provisions	X	190.08	130.34	143.35	188.72	115.28
Total		4,491.77	3,313.06	2,521.23	1,703.69	1,645.00
Assets						
(4) Non Current Assets						
(a) Fixed Assets						
- Tangible fixed assets	XII	863.78	730.18	691.58	667.88	662.87
- Intangible fixed assets	XIII	326.46	407.61	218.50	170.94	203.28
- Capital work in progress		9.46	1.66	5.22	3.95	0.32
- Intangible assets under development		-	-	-	58.25	-
(b) Non current investments	XIV	114.42	114.42	299.51	179.21	179.21
(c) Deferred tax assets (net)	XV	251.01	194.88	124.43	24.44	20.44
(d) Long term loans and advances	XVI	136.46	184.17	83.79	165.24	99.21
(e) Other non current assets	XVII	31.52	23.58	22.16	22.66	14.83
(5) Current Assets						
(a) Current Investments	XVIII	379.17	85.87	503.15	47.61	10.00
(b) Inventories	XIX	137.02	110.15	78.86	56.05	72.24
(c) Trade receivables	XX	294.53	239.35	192.80	139.77	96.65
(d) Cash and bank balances	XXI	1,451.31	1,032.23	161.81	92.04	205.17
(e) Short term loans and advances	XVI	452.04	156.05	138.46	73.88	75.23
(f) Other current assets	XVII	44.59	32.91	0.96	1.77	5.55
Total		4,491.77	3,313.06	2,521.23	1,703.69	1,645.00

Notes:

- 1) Significant accounting policies are given in Annexure V.
- 2) In addition to annexures referred above, certain other notes are given in Annexure VI to Annexure XXXVI.
- 3) Summary of results of adjustments made in the audited financial statements of the respective years and its impact on restated summary statement of profit and loss and restated summary of assets and liabilities are given in Annexure IV (part-A)
- 4) The reconciliation between the audited surplus in statement of profit and loss and restated surplus in statement of profit and loss as at 1 April 2010 is given in note 2 of Annexure IV (Part A).

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.: 301003E

For and on behalf of the Board of Directors of
Dr. Lal PathLabs Limited
CIN No. U74899DL1995PLC065388

per Anil Gupta
 Partner
 Membership No. 87921

(Hony.) Brig. Dr. Arvind Lal
 [Chairman and Managing Director]

Dr. Om Prakash Manchanda
 [Director]

Place: Gurgaon
 Date: August 28, 2015

Mr. Dilip Bidani
 [Chief Financial Officer]

Mr. Rajat Kalra
 [Company Secretary]

ANNEXURE II: RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSSES

(Amounts in Rs. million)

Particulars	Annexure	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Income						
Revenue from operations	XXII	6,366.11	5,407.88	4,211.70	3,191.29	2,246.56
Other income	XXIII-A	35.06	31.09	26.91	7.74	6.32
Total revenue (A)		6,401.17	5,438.97	4,238.61	3,199.03	2,252.88
Expenses						
Cost of reagents, chemicals, surgicals and laboratory supplies consumed	XXIV	1,347.64	1,144.74	918.06	717.98	587.04
Employee benefit expenses	XXV	1,312.11	993.22	911.01	515.91	361.24
Other expenses	XXVI	2,197.63	1,926.88	1,517.55	1,163.61	765.84
Total expenses (B)		4,857.38	4,064.84	3,346.62	2,397.50	1,714.12
Earnings before interest, tax, depreciation and amortization (EBITDA) (A) – (B)		1,543.79	1,374.13	891.99	801.53	538.76
Depreciation and amortisation expense	XXVII	318.44	314.51	183.22	181.03	120.42
Interest Income	XXIII-B	(91.33)	(56.14)	(2.03)	(11.98)	(16.32)
Finance costs	XXVIII	3.91	2.36	3.57	25.05	5.87
Profit before tax, as restated		1,312.77	1,113.40	707.23	607.43	428.79
Tax expenses						
Current tax		489.20	444.03	318.47	201.34	138.97
Deferred tax charge / (credit)		(56.12)	(70.16)	(99.99)	(4.00)	5.57
Total tax expense		433.08	373.87	218.48	197.34	144.54
Profit for the year, as restated		879.69	739.53	488.75	410.09	284.25

Notes:

- 1) Significant accounting policies are given in Annexure V.
- 2) In addition to annexures referred above, certain other notes are given in Annexure VI to Annexure XXXVI.
- 3) Summary of results of adjustments made in the audited financial statements of the respective years and its impact on restated summary statement of profit and loss and restated summary of assets and liabilities are given in Annexure IV (part-A)
- 4) The reconciliation between the audited surplus in statement of profit and loss and restated surplus in statement of profit and loss as at 1 April 2010 is given in note 2 of Annexure IV (Part A).

For S.R. Batliboi & Co. LLP
Chartered Accountants
 ICAI Firm's Registration No.: 301003E

For and on behalf of the Board of Directors of
Dr. Lal PathLabs Limited
 CIN No. U74899DL1995PLC065388

per Anil Gupta
 Partner
 Membership No. 87921

(Hony.) Brig. Dr. Arvind Lal
 [Chairman and Managing Director]

Dr. Om Prakash Manchanda
 [Director]

Place: Gurgaon
 Date: August 28, 2015

Mr. Dilip Bidani
 [Chief Financial Officer]

Mr. Rajat Kalra
 [Company Secretary]

ANNEXURE III: RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

(Amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
A. Cash flow from operating activities					
Net profit before tax	1,312.77	1,113.40	707.23	607.43	428.79
Adjustments to reconcile profit before tax to net cash flows					
Depreciation / amortisation	318.44	314.51	183.22	181.03	120.42
Loss on sale/ disposal of fixed assets (net)	0.69	5.39	1.79	0.66	0.88
Loss on sale of current investments (net)	-	5.67	-	-	-
Bad debts / advances written off	1.29	2.55	2.51	2.79	1.92
Provision for doubtful debts and advances	22.44	16.42	5.84	1.66	4.87
Unspent Liability/ Miscellaneous balances written back	(0.03)	(2.57)	(0.38)	(0.38)	(0.30)
Dividend received (from current investments - other than trade)	(21.91)	(13.88)	(21.24)	(0.67)	(0.71)
Income from long term investments in mutual funds (other than trade)	(1.61)	-	-	(0.05)	(0.70)
Dividend from investment in a Subsidiary company	(5.83)	(8.97)	-	-	-
Employee Stock Options compensation	242.19	155.46	249.65	6.43	-
Bad debts recovered	-	(0.87)	(0.65)	-	-
Interest expense	3.91	2.36	3.57	25.05	5.87
Interest income	(91.33)	(56.14)	(2.03)	(11.98)	(16.32)
Operating profit before working capital changes	1,781.02	1,533.33	1,129.51	811.97	544.72
Movements in working capital:					
(Increase) in trade receivables	(78.75)	(64.38)	(60.05)	(46.23)	(20.81)
(Increase) / decrease in inventories	(26.86)	(27.07)	(22.81)	16.19	(12.60)
(Increase) / decrease in loans and advances	(286.34)	(51.94)	(28.49)	(64.63)	15.75
(Increase) in other current assets	(4.36)	(3.47)	(3.50)	(3.52)	(2.79)
Increase in trade payables, current liabilities and provisions	74.60	54.04	87.95	106.17	38.85
Cash generated from operations	1,459.31	1,440.51	1,102.61	819.95	563.12
Direct taxes paid (net of refunds)	(518.06)	(478.56)	(309.04)	(186.16)	(157.63)
Net cash flow from operating activities	941.25	961.95	793.57	633.79	405.49
B. Cash flow from investing activities					
Purchase of fixed assets	(314.23)	(309.28)	(176.31)	(228.69)	(245.81)
Proceeds from sale of fixed assets	3.79	4.83	0.44	1.71	0.52
Purchase of investments in units of mutual funds	(845.37)	(733.85)	(1,120.38)	(237.67)	(262.51)
Sale of investments in units of mutual funds	552.07	1,186.53	664.83	190.06	311.65
Purchase of non-current investments	-	-	-	11.12	-
Payment for Purchase of investments in Subsidiary Company	(7.50)	(232.01)	-	(38.93)	(91.17)
Payment for purchase of business on slump sale basis	(24.50)	-	(4.25)	(82.00)	(86.25)
Loans and Advances refunded back by subsidiary companies (net)	3.03	(4.70)	35.05	5.70	(27.66)
Dividend received (from current investments - other than trade)	21.91	13.88	21.24	0.67	0.71
Dividend from investment in a Subsidiary Company	5.83	8.97	-	-	-
Interest received	81.23	26.33	2.80	14.69	26.72
Cash and cash equivalents acquired pursuant to Scheme of Amalgamation	-	18.19	-	-	-
Fixed Deposits placed with the banks	(1,317.25)	(848.26)	(43.49)	(66.45)	(260.02)
Fixed Deposits with banks encashed	969.63	8.44	63.32	210.10	447.68
Net cash (used in) investing activities	(871.36)	(860.93)	(556.75)	(219.69)	(186.14)
C. Cash flow from financing activities					
Proceeds from issuance of equity share capital	105.38	-	0.13	-	-
Equity shares bought back during the year	-	-	-	(65.96)	(240.00)
Proceeds of long-term borrowings	-	-	-	70.00	50.00
(Repayment) of long-term borrowings	-	(4.87)	-	(120.02)	-
(Repayment) Proceeds of short term borrowings	(0.10)	(0.07)	-	(141.72)	130.88
Interest paid	(0.16)	(5.27)	(1.50)	(25.02)	(6.85)
Dividend Paid including dividend tax	(100.00)	(90.61)	(149.91)	(96.54)	(149.42)
Net cash from / (used in) financing activities	5.12	(100.82)	(151.28)	(379.26)	(215.39)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	75.01	0.20	85.54	34.84	3.96
Cash and cash equivalents acquired pursuant to purchase of business	-	-	-	-	1.05
Cash and cash equivalents at the beginning of the year	154.47	154.27	68.73	33.89	28.88
Cash and cash equivalents at the end of the year	229.48	154.47	154.27	68.73	33.89

Components of cash and cash equivalents					
Cash on hand	8.19	6.20	9.85	4.61	3.21
Balance with scheduled banks:					
-on current accounts	139.91	108.67	58.31	40.26	30.68
-on cash credit accounts	81.38	39.60	66.11	23.86	-
-Deposits with original maturity of less than three months	-	-	20.00	-	-
Cash & Cash Equivalents in Cash Flow Statement:	229.48	154.47	154.27	68.73	33.89

Notes:

1. Previous years' figures have been regrouped, where necessary to conform to current year's classification.
2. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard- 3 on Cash Flow Statements as referred in the Companies Act 2013.
3. Pursuant to the Scheme of Amalgamation of five subsidiaries with the Company as referred to in Note no. 16 of Annexure XXXVI, all assets and liabilities of these subsidiary companies were transferred to and vested in the Company from April 01, 2013 ("the Appointed Date"). The amalgamation into the Company is a non-cash transaction and accordingly the transfer of such assets and liabilities other than cash and cash equivalents has not been considered above.
4. Significant accounting policies are given in Annexure V.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.: 301003E

For and on behalf of the Board of Directors of
Dr. Lal PathLabs Limited
CIN No. U74899DL1995PLC065388

per Anil Gupta
Partner
Membership No. 87921

(Hony.) Brig. Dr. Arvind Lal
[Chairman and Managing Director]

Dr. Om Prakash Manchanda
[Director]

Place: Gurgaon
Date: August 28, 2015

Mr. Dilip Bidani
[Chief Financial Officer]

Mr. Rajat Kalra
[Company Secretary]

ANNEXURE IV (PART A): NOTES ON MATERIAL ADJUSTMENTS

- 1 Below mentioned is the summary of results of adjustments made in the audited financial statements of the respective years and its impact on restated summary statement of profit and loss and restated summary statement of assets and liabilities.

(Amounts in Rs. million)					
Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Profit after tax (as per audited financial statements)	917.62	547.18	652.50	415.72	281.02
Restatement adjustments :					
Unspent Liability/ Miscellaneous balances written back (Refer Note 1)	-	(2.63)	-	-	(12.38)
Bad debts recovered (Refer Note 2)	-	(5.79)	-	-	-
Reversal of finance expense (Refer Note 3)	-	-	0.71	0.82	1.10
Tax adjustments for Earlier Years (Refer Note 4)	-	(10.22)	0.20	(0.02)	12.21
Prior period items (Refer Note 5)	-	255.87	(249.44)	(6.43)	-
Amalgamation adjustment (Refer Note 6)	(40.12)	40.12	-	-	-
Deferred Tax Adjustments for earlier years (Refer Note 7)	2.19	-	-	(2.19)	-
Total Adjustment - add / (less)	(37.93)	277.35	(248.53)	(7.82)	0.93
Tax Rate	33.99%	33.99%	32.45%	32.45%	33.22%
Current tax impact (Refer Note 8A)	-	(1.97)	-	-	(0.76)
Deferred Tax Impact (Refer Note 8B)	-	86.97	(84.78)	(2.19)	(1.54)
Restated profit after tax	879.69	739.53	488.75	410.09	284.25

Notes:

- During the years ended 31 March 2014 and 31 March 2011, the Company reversed certain liabilities which were considered as no longer payable and recognized as "Other income". Since, these were relating to earlier years, the reversal has now been reflected in respective years in which the liability was created.
- During the year ended 31 March 2014, the Company had accounted for bad debts recovered which were considered to be no longer recoverable and booked as "Bad debts written off in an earlier year. Since, these were relating to earlier years, the reversal has now been reflected in respective years in which the bad debts was booked.
- Reversal of finance expense reflects reversal of excess provision for interest on income tax of Rs. 2.63 million in respective years in which the liability was created upon completion of assessment.
- Consequent to completion of income tax assessment for certain years, the Company paid additional taxes / received refunds which were recorded in the year of completion of such assessments. As these were relating to earlier years, the same has been accounted for in the financial year for which the amount relates to.
- The Employee Stock Option Plan, 2010 ("the ESOP Plan") provides for an exit route to the employees till Company's shares are listed on a recognised stock exchange, whereby the employees may offer to sell the shares to Dr. Lal PathLabs Private Limited Welfare Trust ("the Trust") at the fair value as on the date of application or as provided in the ESOP Plan. During the year ended 31 March 2014, the Company had reassessed the ESOP Scheme as cash settled basis as against equity settled basis treated in the financial statements of earlier years. As a result of this, the Company had during the year ended 31 March 2014 accounted for additional compensation cost of Rs. 411.33 million, which includes Rs. 255.87 million for earlier years. As the compensation cost related to earlier years, the adjustment has been reflected in the financial statement of the respective years to which the cost pertained to.
- Pursuant to the Scheme of Amalgamation ["the Scheme"] under Section 391/394 of the Companies Act 1956 among the Company and Sanya Chemicals Private Limited ("Sanya"), Amolak Diagnostic Private Limited ("Amolak"), Medex Healthcare Private Limited ("Medex"), Medicave Diagnostic Centre Private Limited ("MDCPL") and Medicave Medical Systems Private Limited ("MMSPL") [Transferor Companies] approved by respective Hon'ble High Courts, the erstwhile subsidiary companies, stands merged with the Company w.e.f. April 1, 2013 (the appointed date).

The results of the Company for the year ended March 31, 2015 are after giving effect to the Scheme. The net profit of these subsidiary companies of Rs. 40.12 million (net of tax of Rs. 18.17 million) for the year ended March 31, 2014 has been disclosed separately in the statement of profit and loss in the audited financial statements for the year ended March 31, 2015. In the restated financial statements, the impact of amalgamation has been reflected in the year ended March 31, 2014.

- During the year ended March 31, 2015, the Company has reversed deferred tax asset relating to year ended March 31, 2012. Accordingly, the adjustment has been reflected in the relevant year.
- A. Represents tax adjustment relating to adjustment described in 1 relating to year ended March 31, 2011.
B. Represents tax adjustment relating to adjustments described in 1 and 4 above.

2 Reconciliation between the audited surplus in statement of profit and loss and restated surplus in statement of profit and loss as at 1 April

Particulars	(Amounts in Rs. million)
Profit and loss appropriation account as at 1 April 2010 as per audited financials	330.00
Adjustments:	
Unspent Liability/ Miscellaneous balances written back	12.38
Bad debts recovered	5.79
Tax adjustments for Earlier Years	(2.16)
Current tax liability	(2.73)
Deferred Tax	(1.54)
Profit and loss appropriation account as at 1 April 2010, as restated	341.74

ANNEXURE IV (PART B): NON ADJUSTING ITEMS

- A. Emphasis of Matter in the auditor's report on the financial statements of the Company for the year ended March 31, 2012 and 2011 which do not require any quantitative adjustment in the restated summary, statements are as follows:

The audit reports for year ended 31 March, 2012 and 31 March 2011 included emphasis of matter in respect of non-provisioning for diminution in value of investment in equity shares of and unsecured interest free loans given to a Medex Healthcare Private Limited, a wholly owned subsidiary of the Company, whose net worth was eroded fully, in view of strategic long-term investment in the said subsidiary and based on its future profitability projections.

- B. Certain qualifications in the Annexure to the Auditor's report on the financial statements of the Company for the years ended 31 March, 2015, 2014, 2013, 2012 and 2011 which do not require any quantitative adjustment in the restated summary statement are as follows:

- (i) The annexure to the audit report for the years ended March, 31 2015, March, 31 2014, March, 31 2013, March, 31 2012 and March 31, 2011 included a qualification in respect of slight delays in deposit of certain undisputed statutory dues.
- (ii) The annexure to the audit report for the year ended March 31, 2012 included a qualification in respect of undisputed statutory dues of employees' state insurance aggregating to Rs. 0.72 million remaining outstanding for a period of more than six months. The undisputed amount was paid subsequent to year end.
- (iii) The annexure to the audit report for the years ended March 31, 2014, 2013 and 2012 included a qualification in respect of disputed income tax dues outstanding of Rs. 0.04 million, Rs. 1.10 million and Rs. 0.68 million respectively.

ANNEXURE IV (PART C): MATERIAL REGROUPING

W.e.f April 1, 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Schedule III of the Companies Act, 2013 does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements for the year ended March 31, 2011. Accordingly, the Company has reclassified the figures for the previous year ended 31 March 2011 in accordance with the requirements applicable for the year ended 31 March 2015.

Appropriate adjustments have been made in the Restated Summary Statements of assets and liabilities, profit and losses and cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flow in order to bring them in line with the audited financials of the Company as at and for the year ended 31 March 2015, prepared in accordance with Schedule III of the Companies Act, 2013 and the requirements of the Securities and Exchange board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended). Further numbers have been rounded off nearest to Rs in millions for all period presented.

ANNEXURE V – SIGNIFICANT ACCOUNTING POLICIES

1 Nature of Operations

Dr. Lal Pathlabs Private Limited (the Company) is a private Company domiciled in India and incorporated on February 14, 1995 under the provisions of the Companies Act, 1956. The Company was converted into a public company with effect from 19/08/2015. The Company is engaged in the business of running laboratories for carrying out pathological investigations of various branches of Bio-chemistry, Hematology, Histopathology, Microbiology, Electrophoresis, Immuno-chemistry, Immunology, Virology, Cytology, other pathological and radiological investigations.

2 Basis of preparation of restated financial statements

- a) The Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company as at March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 and the related Restated Unconsolidated Summary Statement of Profits and Losses and Cash Flows Statement for the year ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 (herein collectively referred to as 'Restated Summary Statement') have been compiled by the management from the audited financial statements of the Company for year ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011.
- b) The Unconsolidated Financial Statements of the Company for year ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) at the relevant time. The Company has prepared these Unconsolidated Financial Statements to comply in all material respects with the accounting standards notified under the Companies Act, 1956 (the "Act") and (as per Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India. The Unconsolidated Financial Statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years.
- c) The Restated Summary Statements of the Company for year ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 have been prepared using the historical audited general purpose financial statements of the Company for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 respectively which were prepared under Indian GAAP and originally approved by the board of directors of the Company at that relevant time.
- d) The Restated Summary Statements have been prepared specifically for the inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with its proposed Initial Public Offering.
- e) These Restated Summary Statements of assets and liabilities, profit and losses and cash flows have been prepared to comply in all material respects with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter II of the Companies Act, 2013 read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI on August 26, 2009 as amended from time to time.

3 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-

to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(c) Depreciation on tangible fixed assets

Leasehold Improvements are depreciated over the useful lives of the assets or the unexpired lease period, whichever, is lower. Based on the same, leasehold improvements are being depreciated over the period of 4-10 years.

Leasehold land at Kolkata is being depreciated over the lease period of 99 years.

Depreciation on second hand plant and machinery has been provided over their balance useful life of 5-6 years and on second hand computers (excluding server and networks has been provided over their balance useful life of 3 years on WDV basis as estimated by the management.

Depreciation on Furniture and Fixtures is provided using the Straight Line Method at the rate of 20% based on technical estimate of useful life. However, during the year ended 31 March 2014, two of the entities acquired through the scheme of amalgamation, provided depreciation on Furniture and Fixtures using the Written Down Value Method at the rates prescribed under Schedule XIV of the Companies Act, 1956, (0.06% of total Net Block of tangible fixed assets as at March 31, 2014 and 0.05 % of total depreciation charge for the year ended March 31, 2014).

Depreciation on all other fixed assets is provided using the Written Down Value (WDV) Method at the rates computed based on the useful lives of the assets estimated by the management. The Company has considered following rates to provide depreciation on its fixed assets:

Tangible Assets	Rates as per management's estimate of Useful Life from April 1, 2013 onwards (WDV)	Rates as per management's estimate of useful life for the period from April 1, 2010 to March 31, 2013[WDV]	Rates as per Useful Life given under Schedule II (WDV)	Rates as per Useful Life given under Schedule XIV (WDV)
Buildings	10.00	10.00	10.00	10.00
Plant & Machinery				
- Plant and Machinery used in medical and surgical operations	20.58	20.00	20.58	20.00
- Other Equipment	18.10	13.91	18.10	13.91
- Electrical Installations and Equipment	25.89	13.91	25.89	13.91
Office Equipment	45.07	13.91	45.07	13.91
Computers				
- Servers and networks	40.00	40.00	40.00	40.00
- End user devices, such as desktops, laptops, etc.	63.16	40.00	63.16	40.00
Vehicles				
- Motor cars	31.23	25.89	31.23	25.89
- Motor cycles, scooters and other mopeds	25.89	25.89	25.89	25.89

During the year ended March 31, 2014, fixed assets acquired through the Scheme of Amalgamation (7.11% of total Net Block of tangible fixed assets as at March 31, 2014 and 4.69 % of total depreciation charge for the year ended March 31, 2014) were being depreciated using the Written Down Value (WDV) Method at the rates prescribed under Schedule XIV of the Companies Act, 1956. During the year ended March 31, 2015, the Company has changed the useful life of fixed assets of the subsidiaries merged with the Company to align with the useful life policy followed by the Company.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired at purchase of business is recorded at their fair value as at the date of purchase of business. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Computer software is being amortized using the straight line method over its useful life, not exceeding five years.

Goodwill and Trademarks are amortized over a period of five years using the straight line method starting from the date of acquisition of respective laboratory.

Goodwill arising on scheme of amalgamation is amortized on straight line basis over a period of five years.

(e) Leases

Where the Company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(f) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(g) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining the net selling price, recent market transactions are taken into account, if available, if no such transactions can be identified, an appropriate valuation model is used.

(h) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grants or subsidy received from the government relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

(i) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(j) Inventories

Inventories comprise of reagents, chemicals, surgical and laboratory supplies and stores and others and are valued at lower of cost and net realizable value. Cost is determined on moving weighted average basis.

(k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria is also met before revenue is recognized:

Laboratory Income

Revenue comprises of amount billed (net of discounts) in respect of tests conducted and is recognized as and when the samples are registered for the purpose of conducting the tests which usually take not more than 48 hours.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is shown separately in the statement of profit and loss.

Income from units in Mutual Funds / Dividend from Subsidiary Company

Dividend from units in mutual funds / Dividend from subsidiary Company is recognised when the Company's right to receive payment is established by the reporting date. Income on investment made in the units of fixed maturity plans of mutual funds is recognised based on the yield earned and to the extent of reasonable certainty.

(l) Foreign currency translation

Foreign currency transactions and balances

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(m) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an

expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for plan using the projected unit credit method. Actuarial gains and losses for defined benefit plan are recognized in full in the year in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

(n) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961 enacted in India. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income originating during the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities. Deferred tax assets are recognized for deductible timing difference only to extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(o) Employee stock compensation cost

Measurement and disclosure of the employee share based payment plans are done in accordance with the Guidance Note on Accounting for Employee Share-based payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the fair value method. Such compensation cost is charged off to the statement of profit and loss in the year of grant of options. Compensation expense resulting due to cash settled scheme, if any, is amortised over the vesting period of the options.

(p) Expenditure On New Projects

Expenditure directly relating to construction activity is capitalized. Indirect Expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is specifically attributable to construction

project. Other expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the statement of Profit and Loss.

(q) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(r) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(t) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(u) Segment reporting policy

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(v) Measurement of EBITDA

As permitted by the *Guidance Note on the Revised Schedule VI to the Companies Act, 1956*, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, interest income and tax expense.

ANNEXURE VI: RESTATED UNCONSOLIDATED STATEMENT OF SHARE CAPITAL

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Authorised shares					
Equity shares of Rs.	10	100	100	100	100
Total Authorised Equity shares (No.)	55,000,000	5,500,000	500,000	500,000	500,000
a) Total Authorised Equity shares (Rs. in million)	550.00	550.00	50.00	50.00	50.00
0.01% convertible, participating preference shares of Rs.	10	100	100	100	100
Total Authorised 0.01% convertible, participating preference shares (No.)	27,500,000	2,750,000	250,000	250,000	250,000
b) Total Authorised 0.01% convertible, participating preference shares (Rs. in million)	275.00	275.00	25.00	25.00	25.00
Total authorised share capital (a+b)	825.00	825.00	75.00	75.00	75.00

Issued, subscribed & fully paid-up shares					
Equity shares of Rs.	10	100	100	100	100
Equity shares (No.)	54,629,520	5,367,840	335,490	335,448	339,170
a) Total subscribed & fully paid-up equity share capital (Rs. in million)	546.30	536.78	33.55	33.54	33.92
0.01% convertible, participating preference shares of Rs.	10	100	100	100	100
0.01% convertible, participating preference shares (No.)	26,632,320	2,663,232	166,452	166,452	166,452
b) Total subscribed & fully paid-up 0.01% convertible, participating preference shares (Rs. in million)	266.32	266.32	16.65	16.65	16.65
Total subscribed & fully paid-up share capital (a + b)	812.62	803.10	50.20	50.19	50.57

Foot notes:
(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Equity shares	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
At the beginning of the year (@ Rs. 100 per share)	5,367,840	335,490	335,448	339,170	352,713
Issued during the year (@ Rs. 100 per share)	78,176	-	42	-	-
Issued during the year - Bonus Issue	-	5,032,350	-	-	-
Buy Back during the year	-	-	-	(3,722)	(13,543)
Increase pursuant to sub division of share of Rs. 100 each into 10 shares of Rs. 10 each	49,014,144	-	-	-	-
Issued during the year (@ Rs. 10 per share)	169,360	-	-	-	-
Outstanding at the end of the year	54,629,520	5,367,840	335,490	335,448	339,170

Preference shares	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
At the beginning of the year (@ Rs. 100 per share)	2,663,232	166,452	166,452	166,452	166,452*
Issued during the year - Bonus Issue	-	2,496,780	-	-	-
Increase pursuant to sub division of share of Rs. 100 each into 10 shares of Rs. 10 each	23,969,088	-	-	-	-
Outstanding at the end of the year	26,632,320	2,663,232	166,452	166,452	166,452

* Includes 125,373 optionally convertible, redeemable participating preference shares which got converted into convertible, participating preference shares on 20 August, 2010.

(b) Terms/ rights attached to equity shares

- The Company has only one class of equity shares having par value of Rs. 10 per share, Previous year (Rs. 100 per share). Equity Shares of Rs.100 each were subdivided into 10 shares of Rs. 10 each on March 27, 2015. Each holder of equity shares is entitled to one vote per equity share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(c) Terms/ rights attached to convertible, participating preference shares

- The Company has only one class of CCPS fully participating with equity having par value of Rs. 10 per share, Previous year (Rs.100 per share). Preference Shares of Rs.100 each were subdivided into 10 shares of Rs. 10 each on March 27, 2015. Each holder of preference shares is entitled to one vote per share.

- The preference shares fully participate with the equity shares in all dividends declared by the Company.

- The convertible, participating preference shares are convertible into equity shares at the option of the investors, '- at any time prior to mandatory conversion for any reason. Further, unless the preference shares have been voluntarily converted into equity shares as aforesaid, these shall be mandatorily converted into equity shares upon closing of the Initial Public Offer by the Company or at the end of the maximum period prescribed by law for redemption of preference shares, whichever is earlier.

(d) 'Amount of per share interim / final dividend recognized as distribution to equity and preference shareholders

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Equity share holder	1.53	10.64	154.28	257.00	164.28
Preference shareholder	1.53	10.64	154.28	257.00	164.29

(e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date (including current year):

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Equity shares of Rs. 100 each bought back by the Company	17,265	17,265	22,098	18,376	27,223
Bonus equity Shares of Rs. 100 each issued by the Company	5,032,350	5,032,350	-	-	-
Bonus preference Shares of Rs. 100 each issued by the Company	2,496,780	2,496,780	-	-	-
Equity shares of Rs. 100 each issued during the period of five years immediately preceding the reporting date on exercise of options granted under the ESOP plan 2005	23,848	23,848	23,806	23,806	23,806

(f) Detail of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Names	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
<i>Equity shares of Rs. 10/- each, (previous years Rs. 100 each) fully paid</i>					
- Dr Arvind Lal, Chairman cum Managing Director	28,234,880	2,823,488	176,468	176,468	176,468
- Dr Vandana Lal, Director	17,988,640	1,798,864	112,429	112,429	112,429
<i>Convertible, participating preference shares of Rs. 10/- each, (previous years Rs. 100 each) fully paid</i>					
- Wagner Limited	15,979,520	1,597,952	99,872	83,226	83,226
- West Bridge Crossover Fund, LLC	9,601,760	960,176	58,257	83,226	83,226
- Westbridge Ventures I Investment Holdings	-	-	8,323	-	-
Names	% holding in the class	% holding in the class	% holding in the class	% holding in the class	% holding in the class
<i>Equity shares of Rs. 10/- each, (previous years Rs. 100 each) fully paid</i>					
- Dr Arvind Lal, Chairman cum Managing Director	51.68%	52.60%	52.60%	52.61%	52.03%
- Dr Vandana Lal, Director	32.93%	33.51%	33.51%	33.52%	33.15%
<i>Convertible, participating preference shares of Rs. 10/- each, (previous years Rs. 100 each) fully paid</i>					
- Wagner Limited	60.00%	60.00%	60.00%	50.00%	50.00%
- West Bridge Crossover Fund, LLC	36.05%	36.05%	35.00%	50.00%	50.00%
- Westbridge Ventures I Investment Holdings	-	-	5%	-	-

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(g) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer annexure XXXV.

ANNEXURE VII: RESTATED UNCONSOLIDATED STATEMENT OF RESERVE AND SURPLUS

(Amounts in Rs. million)

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Securities premium account					
Balance at the beginning of the year	-	113.31	113.19	179.15	419.14
Add: (a) Addition on ESOP's exercised	-	-	0.12	-	-
(b) Addition on Shares issued*	295.15	-	-	-	-
Less: (a) Amounts utilized towards issue of fully paid bonus shares	-	(113.31)	-	-	-
(b) Utilization on payment of consideration over nominal value of equity shares bought back (Refer note 14 of	-	-	-	(65.59)	(238.64)
(c) Nominal value of equity shares bought back (Refer note 14 of Annexure XXXVI)	-	-	-	(0.37)	(1.35)
Balance at the end of the year	295.15	-	113.31	113.19	179.15
Shares Buy Back Reserve Account					
Balance at the beginning of the year	4.45	4.45	4.45	4.08	2.72
Add : Transferred from Securities Premium Account (Refer note 14 of Annexure XXXVI)	-	-	-	0.37	1.36
Balance at the end of the year	4.45	4.45	4.45	4.45	4.08
General reserve					
Balance at the beginning of the year	82.10	335.13	269.88	227.78	162.78
Amount transferred from surplus	116.00	82.10	65.25	42.10	65.00
Amounts utilized towards issue of fully paid bonus shares	-	(335.13)	-	-	-
Balance at the end of the year	198.10	82.10	335.13	269.88	227.78
Surplus in the statement of profit and loss					
Balance at the beginning of the year	1,268.37	1,015.42	682.52	464.45	341.74
Add: Profit for the year	879.69	739.53	488.75	410.09	284.25
Less: Proposed Interim dividend on equity shares	(83.78)	(57.13)	(51.76)	(86.21)	(55.72)
Less: Tax on proposed interim equity dividend	(17.06)	(9.71)	(8.80)	(13.99)	(9.04)
Less: Equity dividend for earlier year	-	(0.01)	-	-	-
Less: Tax on Equity dividend for earlier year	-	(0.00)	-	-	-
Less: Proposed Interim dividend on preference shares	(40.85)	(28.34)	(25.68)	(42.77)	(27.34)
Less: Tax on proposed interim preference dividend	(8.32)	(4.82)	(4.36)	(6.94)	(4.44)
Less: Final dividend on preference shares	-	-	-	-	(0.00)
Less: Tax on final preference dividend	-	-	-	-	(0.00)
Less: Transfer to general reserve	(116.00)	(82.10)	(65.25)	(42.10)	(65.00)
Less: Amounts utilized towards issue of fully paid bonus shares	-	(304.46)	-	-	-
Balance at the end of the year	1,882.05	1,268.38	1,015.42	682.53	464.45
Total reserves and surplus	2,379.75	1,354.93	1,468.31	1,070.05	875.46

* Including Rs.199.27 million being difference between fair value of shares and exercise price of options, routed through liability towards Employee Stock Options Compensation Outstanding

ANNEXURE VIII: RESTATED UNCONSOLIDATED STATEMENT OF LONG TERM BORROWINGS

(Amounts in Rs. million)

Particulars	As at		As at		As at		As at		As at	
	31 March 2015		31 March 2014		31 March 2013		31 March 2012		31 March 2011	
	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities
Term loans										
Indian rupee loan from banks	-	-	-	-	-	-	-	-	37.50	12.50
Finance Lease obligations	-	-	-	-	-	-	-	-	-	0.02
	-	-	-	-	-	-	-	-	37.50	12.52
The above amount includes										
Secured borrowings	-	-	-	-	-	-	-	-	37.50	12.52
Unsecured borrowings	-	-	-	-	-	-	-	-	-	-
Amount disclosed under the head "other current liabilities" (refer annexure IX)	-	-	-	-	-	-	-	-	-	(12.52)
Net amount	-	-	-	-	-	-	-	-	37.50	-

1. Indian rupee loan from HDFC Bank amounting to Rs. 50 million carried weighted average rate of interest of 12.61% during the year ended March 31, 2012 (31 March 2011: 11.70%). This loan was repayable in 48 monthly instalments of Rs. 1.04 million each beginning from 1 April 2011. The loan together with interest and other charges was secured by way of first and exclusive charge on all movable assets of the Company and second charge on all the stock and book debts both present and future of the Company. The loan was completely repaid during the year ended March 31, 2012.

2. Motor cycle loan from Muthoot Capital Services Ltd. amounting to Rs. 0.02 million carried interest rate @ of 8.10% p.a. was secured by hypothecation of vehicle purchased out of proceeds of loan amount. This loan was repayable in 36 equated monthly instalment having monthly instalments of Rs. 1,479 each beginning from the date of loan viz. 18 August 2010.

ANNEXURE IX: RESTATED UNCONSOLIDATED STATEMENT OF TRADE PAYABLES AND OTHER LIABILITIES

(Amounts in Rs. million)

Particulars	As at 31 March 2015		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Trade payables (refer note 8 of annexure XXXVI for details of dues to micro and small enterprises)	82.06	328.11	62.68	318.10	51.62	280.83	30.45	216.47	15.99	155.47
	82.06	328.11	62.68	318.10	51.62	280.83	30.45	216.47	15.99	155.47
Other liabilities										
Current maturities of long term borrowings (refer annexure VIII)	-	-	-	-	-	-	-	-	-	12.52
Creditors against purchase of Business	-	10.50	-	-	-	-	-	4.25	-	86.25
Creditors against purchase of Investment	-	30.00	37.50	-	-	120.30	-	-	-	38.93
Interest Payable	-	3.76	-	-	-	-	-	-	-	-
Others:										
Interest Accrued but not due	-	-	-	-	-	-	-	-	-	0.42
Bank overdraft from Banks	-	-	-	7.09	-	8.09	-	4.03	-	12.93
Trade deposits	111.80	0.05	93.00	-	73.98	-	61.35	-	49.83	-
Employee Stock Options compensation (refer annexure XXXV)	2.90	451.56	9.53	402.01	32.41	223.67	1.63	4.80	-	-
Payable towards capital goods	-	22.05	-	47.38	-	32.25	-	19.83	-	23.50
Advances from customers	-	19.25	-	15.28	-	10.66	-	12.27	-	2.95
Service Tax Payable	-	-	-	-	-	0.67	-	0.44	-	-
TDS payable	-	40.85	-	25.60	-	20.80	-	19.08	-	11.25
Provident Fund Payable	-	5.48	-	4.54	-	3.44	-	2.66	-	2.60
ESI Payable	-	0.68	-	0.69	-	0.52	-	2.50	-	0.13
Other Statutory payables	-	0.27	-	0.12	-	0.12	-	0.48	-	0.34
	114.70	584.45	140.03	502.71	106.39	420.52	62.98	70.34	49.83	191.82
Total	196.76	912.56	202.71	820.81	158.01	701.35	93.43	286.81	65.82	347.29

ANNEXURE X: RESTATED UNCONSOLIDATED STATEMENT OF PROVISIONS

(Amounts in Rs. million)

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<u>Long-term provisions</u>					
Provision for employee benefits					
- Provision for gratuity (refer annexure XXXIV)	-	-	-	14.48	11.36
Other provisions					
- Provision for taxation	-	1.06	-	-	-
- Provision for interest on taxation	-	0.01	0.01	0.01	-
	-	1.07	0.01	14.49	11.36
<u>Short-term provisions</u>					
Provision for employee benefits					
- Provision for gratuity (refer annexure XXXIV)	10.28	5.21	2.25	4.56	2.61
- Provision for leave encashment	29.55	21.51	15.41	12.05	9.55
Other provisions					
- Provision for taxation	0.24	3.62	32.59	21.75	6.57
- Provision for interest on taxation	-	-	2.50	0.44	-
- Proposed interim equity dividend	83.78	57.13	51.76	86.21	55.72
- Provision for tax on proposed interim equity dividend	17.06	9.71	8.80	13.99	9.04
- Proposed interim preference dividend	40.85	28.34	25.68	42.78	27.34
- Provision for tax on proposed interim preference dividend	8.32	4.82	4.36	6.94	4.44
- Provision for final dividend on Preference Shares	-	-	-	-	0.01
- Provision for tax on final dividend on Preference Shares	-	-	-	-	0.00
	190.08	130.34	143.35	188.72	115.28

ANNEXURE XI: RESTATED UNCONSOLIDATED STATEMENT OF SHORT TERM BORROWINGS

(Amounts in Rs. million)

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Overdraft facilities from Banks (secured)	-	-	-	-	141.72
Interest free loan from director of an erstwhile subsidiary (repayable on demand) (unsecured)	-	0.10	-	-	-
	-	0.10	-	-	141.72

The above amount includes:

Secured borrowings	-	-	-	-	141.72
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Overdraft facilities from banks amounting to Rs. 141.72 million, carried average rate of interest of 11.00% and together with interest and other charges was secured by way of fixed deposit receipts of Rs. 171.31 million. The overdraft was repayable on demand.

ANNEXURE XII: RESTATED UNCONSOLIDATED STATEMENT OF TANGIBLE FIXED ASSETS

(Amounts in Rs. million)								
Tangible assets	Leasehold Land	Leasehold Improvements	Buildings	Plant & machinery	Furniture & fixtures	Computers	Vehicles	Total
Gross block								
At 1 April 2010	65.29	121.00	-	242.16	35.52	60.84	18.71	543.52
Additions	-	31.22	228.57	185.81	18.26	36.26	0.24	500.36
Disposals	-	4.36	-	5.35	0.04	1.40	-	11.15
At 31 March 2011	65.29	147.86	228.57	422.62	53.74	95.70	18.95	1,032.73
At 1 April 2011	65.29	147.86	228.57	422.62	53.74	95.70	18.95	1,032.73
Additions	-	26.77	-	83.50	4.64	13.07	0.38	128.36
Disposals	-	3.38	-	2.69	0.09	0.19	4.52	10.87
At 31 March 2012	65.29	171.25	228.57	503.43	58.29	108.58	14.81	1,150.22
At 1 April 2012	65.29	171.25	228.57	503.43	58.29	108.58	14.81	1,150.22
Additions	-	40.82	-	71.45	5.19	26.22	4.94	148.62
Disposals	-	3.70	-	7.99	0.28	1.85	0.23	14.05
At 31 March 2013	65.29	208.37	228.57	566.89	63.20	132.95	19.52	1,284.79
At 1 April 2013	65.29	208.37	228.57	566.89	63.20	132.95	19.52	1,284.79
Acquired pursuant to scheme of Amalgamation (Refer Note 16 of Annexure XXXVI)	-	5.41	3.94	104.79	8.29	5.28	1.26	128.97
Additions	-	29.79	1.97	129.49	4.55	21.10	7.31	194.21
Disposals	-	3.84	-	16.51	0.05	0.31	2.89	23.60
At 31 March 2014	65.29	239.73	234.48	784.66	75.99	159.02	25.20	1,584.37
At 1 April 2014	65.29	239.73	234.48	784.66	75.99	159.02	25.20	1,584.37
Additions	80.89	61.05	-	136.56	15.73	27.93	-	322.16
Disposals	-	11.08	-	7.75	3.42	0.14	2.20	24.59
At 31 March 2015	146.18	289.70	234.48	913.47	88.30	186.81	23.00	1,881.94
Depreciation								
At 1 April 2010	-	66.55	-	133.61	31.42	44.52	5.75	281.85
Additions	-	16.73	17.14	37.41	6.63	16.50	3.36	97.77
Disposals	-	4.36	-	3.98	0.03	1.39	-	9.76
At 31 March 2011	-	78.92	17.14	167.04	38.02	59.63	9.11	369.86
At 1 April 2011	-	78.92	17.14	167.04	38.02	59.63	9.11	369.86
Additions	-	18.35	21.14	55.23	6.83	16.43	2.51	120.49
Disposals	-	2.34	-	1.62	0.09	0.18	3.78	8.01
At 31 March 2012	-	94.93	38.28	220.65	44.76	75.88	7.84	482.34
At 1 April 2012	-	94.93	38.28	220.65	44.76	75.88	7.84	482.34

(Amounts in Rs. million)

Tangible assets	Leasehold Land	Leasehold Improvements	Buildings	Plant & machinery	Furniture & fixtures	Computers	Vehicles	Total
Additions	-	18.66	19.03	58.28	6.58	16.94	3.02	122.51
Disposals	-	2.67	-	6.72	0.27	1.81	0.17	11.64
At 31 March 2013	-	110.92	57.31	272.21	51.07	91.01	10.69	593.21
At 1 April 2013	-	110.92	57.31	272.21	51.07	91.01	10.69	593.21
Acquired pursuant to scheme of Amalgamation (Refer Note 16 of Annexure XXXVI)	-	2.24	1.51	68.01	6.39	3.82	0.99	82.96
Additions	-	23.34	17.78	110.17	7.36	29.20	3.42	191.27
Disposals	-	1.39	-	9.20	0.02	0.33	2.31	13.25
At 31 March 2014	-	135.11	76.60	441.19	64.80	123.70	12.79	854.19
At 1 April 2014	-	135.11	76.60	441.19	64.80	123.70	12.79	854.19
Additions	0.19	26.31	15.79	104.64	9.03	24.18	3.94	184.08
Disposals	-	10.17	-	4.51	3.37	0.13	1.93	20.11
At 31 March 2015	0.19	151.25	92.39	541.32	70.46	147.75	14.80	1,018.16
Net block								
As at 31 March 2010	65.29	54.45	-	108.55	4.10	16.32	12.96	261.67
As at 31 March 2011	65.29	68.94	211.43	255.58	15.72	36.07	9.84	662.87
As at 31 March 2012	65.29	76.32	190.29	282.78	13.53	32.70	6.97	667.88
As at 31 March 2013	65.29	97.45	171.26	294.68	12.13	41.94	8.83	691.58
As at 31 March 2014	65.29	104.62	157.88	343.47	11.19	35.32	12.41	730.18
As at 31 March 2015	145.99	138.45	142.09	372.15	17.84	39.06	8.20	863.78

Notes:

- Apart from Fixed assets above, the Company has laboratory machineries provided by suppliers free of cost against commitment of reagent purchases by the Company from the suppliers.
- No depreciation on leasehold land at Rohini, New Delhi of the cost of Rs. 65.29 million has been provided, lease being perpetual in nature.
- Deductions to Fixed Assets include Nil for the year ended March 31, 2015 (31 March 2014; Rs. 0.12 million, 31 March 2013; Rs. 0.19 million, 31 March 2012; Rs. 0.52 million and 31 March 2011; Nil) being credit on settlement of Liabilities related to assets capitalised in previous years.
- During the current year, the Company has changed the useful life of fixed assets of the subsidiaries merged with the Company to align with the useful life policy followed by the Company. (Refer note 15 of Annexure XXXVI).
- During the previous year, the Company had changed the useful life of certain fixed assets (Refer note 15 of Annexure XXXVI).

ANNEXURE XIII: RESTATED UNCONSOLIDATED STATEMENT OF INTANGIBLE FIXED ASSETS

(Amounts in Rs. million)					
Intangible assets	Software	Goodwill	Goodwill on Amalgamation	Trade Mark	Total
Gross block					
At 1 April 2010	72.44	11.46	-	-	83.90
Additions	16.20	18.05	-	146.50	180.75
Disposals	-	-	-	-	-
At 31 March 2011	88.64	29.51	-	146.50	264.65
At 1 April 2011	88.64	29.51	-	146.50	264.65
Additions	19.20	9.00	-	-	28.20
Disposals	-	-	-	-	-
At 31 March 2012	107.84	38.51	-	146.50	292.85
At 1 April 2012	107.84	38.51	-	146.50	292.85
Additions	108.27	-	-	-	108.27
Disposals	-	-	-	-	-
At 31 March 2013	216.11	38.51	-	146.50	401.12
At 1 April 2013	216.11	38.51	-	146.50	401.12
Acquired pursuant to Scheme of Amalgamation (Refer Note 16 of Annexure XXXVI)	2.20	6.67	-	28.00	36.87
Additions	52.50	-	-	-	52.50
Created pursuant to Scheme of Amalgamation	-	-	245.49	-	245.49
Disposals	-	-	-	-	-
At 31 March 2014	270.81	45.18	245.49	174.50	735.98
At 1 April 2014	270.81	45.18	245.49	174.50	735.98
Additions	23.62	14.31	-	15.28	53.21
Disposals	-	-	-	-	-
At 31 March 2015	294.43	59.49	245.49	189.78	789.19
Depreciation					
At 1 April 2010	28.44	10.28	-	-	38.72
Additions	14.82	1.25	-	6.58	22.65
Disposals	-	-	-	-	-
At 31 March 2011	43.26	11.53	-	6.58	61.37
At 1 April 2011	43.26	11.53	-	6.58	61.37
Additions	26.04	5.20	-	29.30	60.54
Disposals	-	-	-	-	-
At 31 March 2012	69.30	16.73	-	35.88	121.91
At 1 April 2012	69.30	16.73	-	35.88	121.91
Additions	25.61	5.80	-	29.30	60.71
Disposals	-	-	-	-	-
At 31 March 2013	94.91	22.53	-	65.18	182.62
At 1 April 2013	94.91	22.53	-	65.18	182.62
Acquired pursuant to Scheme of Amalgamation (Refer Note 16 of Annexure XXXVI)	1.71	4.00	-	16.80	22.51
Additions	32.50	6.74	49.10	34.90	123.24
Disposals	-	-	-	-	-
At 31 March 2014	129.12	33.27	49.10	116.88	328.37
At 1 April 2014	129.12	33.27	49.10	116.88	328.37
Additions	41.30	8.00	49.10	35.96	134.36
Disposals	-	-	-	-	-
At 31 March 2015	170.42	41.27	98.20	152.84	462.73
Net block					
As at 31 March 2010	44.00	1.18	-	-	45.18
As at 31 March 2011	45.38	17.98	-	139.92	203.28
As at 31 March 2012	38.54	21.78	-	110.62	170.94
As at 31 March 2013	121.20	15.98	-	81.32	218.50
As at 31 March 2014	141.69	11.91	196.39	57.62	407.61
As at 31 March 2015	124.01	18.22	147.29	36.94	326.46

ANNEXURE XIII A: RESTATED UNCONSOLIDATED STATEMENT OF EXPENDITURE DURING CONSTRUCTION PERIOD

Particulars	(Amounts in Rs. million)				
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Salaries, bonus and allowances	-	-	-	-	0.69
Contribution to provident and other funds	-	-	-	-	0.03
Staff welfare expenses	-	-	-	-	-
Electricity and water charges	-	-	-	-	1.80
Rent	-	-	-	-	0.41
Insurance	-	-	-	-	0.03
Travelling and conveyance	-	-	-	-	0.07
Communication costs	-	-	-	-	0.09
Printing and stationery	-	-	-	-	0.02
Computer expenses	-	-	-	-	-
Legal and professional charges	-	-	-	-	4.55
Repair and maintenance-others	-	-	-	-	0.08
Miscellaneous expenses	-	-	-	-	0.79
Total	-	-	-	-	8.56
Add: Amount brought forward from previous year	-	-	-	-	4.71
Total	-	-	-	-	13.27
Less: Allocated to buildings during the year	-	-	-	-	(13.27)
	-	-	-	-	-

ANNEXURE XIV: RESTATED UNCONSOLIDATED STATEMENT OF NON-CURRENT INVESTMENTS

Particulars	(Amounts in Rs. million)				
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Trade investments (valued at cost unless stated otherwise)					
<i>Unquoted equity instruments</i>					
Investment in subsidiaries					
180,000 equity shares of Rs. 10/- each fully paid up in Amolak Diagnostics Pvt. Ltd.*	-	-	130.10	130.10	130.10
30,000 equity shares of Rs. 10/- each fully paid up in Medex Healthcare Pvt.Ltd.*	-	-	5.56	5.56	5.56
11,200 equity shares of Rs. 10/- each fully paid up in Paliwal Diagnostic Pvt.Ltd.	30.91	30.91	30.91	30.91	30.91
7,000 equity shares of Rs. 10/- each fully paid up in Paliwal Medicare Pvt.Ltd.	12.64	12.64	12.64	12.64	12.64
25,000 equity shares of Rs. 100/- each fully paid up in Medicave Diagnostic Centre Pvt.Ltd.*	-	-	120.30	-	-
10,000 equity shares of Rs. 10/- each fully paid up in APL Institute of Clinical Laboratory & Research Pvt. Ltd.	70.87	70.87	-	-	-
650,000 equity shares of Rs. 10/- each fully paid up in Sanya Chemicals Pvt. Ltd. on 31 March 2013, 31 March 2012 and 31 March 2011 *	-	-	-	-	-
(At cost less provision for other than temporary diminution in value Rs. 16,788,263)	-	-	-	-	-
Aggregate book value of unquoted investments	114.42	114.42	299.51	179.21	179.21
Aggregate amount of unquoted investments	114.42	114.42	299.51	179.21	179.21
Aggregate provision for diminution in value of investments	-	-	16.79	16.79	16.79

* Merged with the Company with effect from 1 April, 2013 (Refer Note 16 of Annexure XXXVI).

ANNEXURE XV: RESTATED UNCONSOLIDATED STATEMENT OF DEFERRED TAX ASSETS (NET)

(Amounts in Rs. million)					
Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Deferred tax assets					
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	33.79	17.96	5.15	4.63	-
Effect of expenditure debited to statement of profit and loss in the current / earlier years but allowable for tax purposes in the following years	212.66	175.33	120.18	20.29	18.69
Provision for doubtful debts and advances	14.67	9.50	5.82	4.80	6.50
Gross deferred tax assets	261.12	202.79	131.15	29.72	25.19
Deferred tax liabilities					
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	-	-	-	0.61
Effect of income credited to statement of profit and loss in the current / earlier years but chargeable to tax in the following years	10.11	7.91	6.72	5.28	4.14
Gross deferred tax liability	10.11	7.91	6.72	5.28	4.75
Deferred tax assets (Net)	251.01	194.88	124.43	24.44	20.44

ANNEXURE XVI: RESTATED UNCONSOLIDATED STATEMENT OF LOANS AND ADVANCES (LONG TERM AND SHORT TERM)

(Amounts in Rs. million)

Particulars	As at 31 March 2015		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Capital advances										
Unsecured, considered good	28.45	-	87.72	-	6.33	-	17.35	-	10.25	-
	28.45	-	87.72	-	6.33	-	17.35	-	10.25	-
Deposits										
Unsecured, considered good										
- to related parties (Refer note XXXIII)	0.64	-	0.64	-	0.64	-	0.64	-	0.64	-
- to others	102.96	7.49	90.02	10.13	68.40	3.18	58.12	3.72	42.45	3.34
Doubtful	-	1.07	-	1.07	-	-	-	-	-	-
	103.60	8.56	90.66	11.20	69.04	3.18	58.76	3.72	43.09	3.34
Less: Provision for doubtful deposits	-	(1.07)	-	(1.07)	-	-	-	-	-	-
	103.60	7.49	90.66	10.13	69.04	3.18	58.76	3.72	43.09	3.34
Loan and advances to related parties (Refer note XXXIII)										
Unsecured, considered good	-	6.52	-	9.55	3.10	27.04	17.11	48.09	17.11	53.79
	-	6.52	-	9.55	3.10	27.04	17.11	48.09	17.11	53.79
Advances recoverable in cash or in kind or for value to be received										
Unsecured, considered good	0.73	36.85	0.23	4.89	0.54	6.04	0.37	7.76	0.22	6.21
Doubtful	-	3.46	-	3.29	-	4.79	-	4.11	-	2.77
	0.73	40.31	0.23	8.18	0.54	10.83	0.37	11.87	0.22	8.98
Provision for doubtful advances	-	(3.46)	-	(3.29)	-	(4.79)	-	(4.11)	-	(2.77)
	0.73	36.85	0.23	4.89	0.54	6.04	0.37	7.76	0.22	6.21
Others loans & advances										
Secured, considered good										
Loan to employees (secured by way of pledge of shares)	-	-	-	-	0.78	-	7.24	-	26.27	-
Unsecured, considered good										
Loan to employees	0.73	0.55	0.90	0.49	-	-	-	-	-	-
Advance tax/tax deducted at source/income tax refundable (Net of income tax provision)	-	26.66	2.25	-	1.41	-	-	-	-	-
Loan given to a Party	2.10	-	2.10	0.41	2.37	0.54	0.81	0.54	1.35	0.54
Prepaid expenses	0.85	28.11	0.31	25.24	0.22	20.22	0.46	13.77	0.92	11.04
Advance to Dr. Lal Pathlabs Private Limited - Employees Welfare Trust	-	344.42	-	105.26	-	81.44	63.14	-	-	-
Balances with statutory/ government authorities	-	1.44	-	0.08	-	-	-	-	-	0.31
	3.68	401.18	5.56	131.48	4.78	102.20	71.65	14.31	28.54	11.89
Total	136.46	452.04	184.17	156.05	83.79	138.46	165.24	73.88	99.21	75.23

Loans and advances due by directors or other officers, etc.

(Amounts in Rs. million)

Particulars	As at 31 March 2015		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Loans to Employees include										
Due from a director of the Company	-	-	-	-	-	-	3.39	0.01	12.86	-
Due from a officer of the Company	-	-	-	-	-	-	0.84	-	2.85	-
Loans and advances to related parties include										
Dues from Medex Healthcare Pvt. Ltd. in which the Company's directors are interested as directors	-	-	-	-	-	9.65	-	23.13	-	28.20
Dues from Paliwal Diagnostic Pvt. Ltd. in which the Company's directors are interested as directors	-	-	-	-	-	-	11.64	-	11.64	1.99
Dues from Paliwal Medicare Pvt. Ltd. in which the Company's directors are interested as directors	-	-	-	3.10	3.10	-	5.46	-	5.46	-
Dues from Amolak Diagnostics Pvt. Ltd. in which the Company's directors are interested as directors	-	-	-	-	-	1.68	-	-	-	6.87
Dues from Sanya Chemicals Pvt. Ltd. in which the Company's directors are interested as directors	-	-	-	-	-	15.71	-	24.94	-	16.73
Dues from APL Institute of Clinical Laboratory & Research Pvt Ltd in which the Company's directors are interested as directors	-	6.52	-	6.45	-	-	-	-	-	-
Deposits to related parties include										
Security deposit to Eskay House HUF	0.64	-	0.64	-	0.64	-	0.64	-	0.64	-

Amounts due from promoters / promoter group companies/ directors/ relatives of directors

(Amounts in Rs. million)

Particulars	As at 31 March 2015		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Dr. Om Prakash Manchanda	-	-	-	-	-	-	3.39	-	12.86	-
Dr. Vandana Lal	-	-	-	-	-	-	-	0.01	-	-
Eskay House HUF	0.64	-	0.64	-	0.64	-	0.64	-	0.64	-

List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' 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.

ANNEXURE XVII: RESTATED UNCONSOLIDATED STATEMENT OF OTHER ASSETS

(Amounts in Rs. million)

Particulars	As at 31 March 2015		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Unsecured, considered good unless stated otherwise										
Non-current bank balances (refer Annexure XXI)	3.86	-	0.30	-	2.31	-	6.36	-	2.04	-
Non-current bank balances	3.86	-	0.30	-	2.31	-	6.36	-	2.04	-
Others										
Surrender Value of Keyman Insurance Policy	27.61	-	23.26	-	19.79	-	16.28	-	12.76	-
Interest accrued on fixed deposits and others	0.05	42.98	0.02	32.91	0.06	0.96	0.02	1.77	0.03	4.48
Income accrued on long term investments (other than trade)	-	1.61	-	-	-	-	-	-	-	1.07
	27.66	44.59	23.28	32.91	19.85	0.96	16.30	1.77	12.79	5.55
Total	31.52	44.59	23.58	32.91	22.16	0.96	22.66	1.77	14.83	5.55

ANNEXURE XVIII: RESTATED UNCONSOLIDATED STATEMENT OF CURRENT INVESTMENTS

(Amounts in Rs. million)

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Current portion of long-term investments (valued at cost)					
<i>Unquoted mutual funds</i>					
31 March 2015: 2,000,000 units of Rs. 10/- each fully paid-up of Reliance Fixed Horizon Fund - XXVI - Series 20 - Direct Growth Plan	20.00	-	-	-	-
31 March 2011: 1,000,000 units of Rs.10 each fully paid up of TATA FMP Series 25 Scheme B Super High Investment Plan Growth	-	-	-	-	10.00
Current investments (valued at lower of cost and fair value, unless stated otherwise)					
<i>Unquoted mutual funds</i>					
31 March 2012: 15,036.01 units of Rs. 1,000/- each fully paid-up of Axis Liquid Fund - Retail Daily Dividend Reinvestment	-	-	-	15.04	-
8,822,943.87 units of Rs. 10/- each fully paid-up of HDFC Liquid Fund - Direct Plan - Dividend - Daily Reinvest	89.98	-	-	-	-
31 March 2015: 87,318.79 (31 March 2012: 9,995.44) units of Rs. 1000/- each fully paid-up of SBI Premier Liquid Fund - Direct Plan - Daily Dividend	87.60	-	-	10.03	-
31 March 2013: 149,993.11 units of Rs. 1,000/- each fully paid-up of UTI Floating Rate fund-STP-Regular Plan-Direct Plan (Daily Dividend Reinvestment)	-	-	161.52	-	-
31 March 2013: 19,641,117.44 units of Rs. 10/- each fully paid-up of IDFC Money Manager Fund-Investment Plan-Weekly Dividend-Regular Plan	-	-	200.76	-	-
31 March 2013: 20,556.02 units of Rs. 1,000/- each fully paid-up of Reliance money manager fund-daily dividend plan-dividend reinvestment	-	-	20.58	-	-
31 March 2015: 31,206.55 (31 March 2014: 10,055.03 and 31 March 2012: 22,536.27) units of Rs. 1,000/- each fully paid-up of UTI -Treasury Advantage Fund-Institutional Plan-Direct Plan-Daily Dividend Reinvestment	31.28	10.08	-	22.54	-
31 March 2015: 53,952.00 (31 March 2014: 29,751.38) units of Rs. 1,000/- each fully paid-up of UTI - Liquid Cash Plan-Institutional-Direct Plan-Daily Dividend Reinvestment	55.00	30.33	-	-	-
31 March 2015: 57,339.45 (31 March 2014: 13,246.66 and 31 March 2013: 78,683.40) units of Rs. 1,000/- each fully paid-up of Reliance Liquid Fund-Treasury Plan-Direct Plan Daily Dividend Option	87.66	20.27	120.29	-	-
31 March 2015 7642.334 units of Rs. 1,000/- each fully paid-up of Baroda Pioneer Liquid Fund - Plan B Daily Dividend - Re-investment Baroda Pioneer Liquid fund	7.65	-	-	-	-
31 March 2014: 2,415,183.40 units of Rs. 10/- each fully paid-up of JM High Liquidity Fund-(Direct)-Daily Dividend Option (449)	-	25.19	-	-	-
	379.17	85.87	503.15	47.61	10.00
Aggregate amount of unquoted investments	379.17	85.87	503.15	47.61	10.00
Net Assets Value	380.78	85.87	503.15	47.61	11.07

ANNEXURE XIX: RESTATED UNCONSOLIDATED STATEMENT OF INVENTORIES

(Amounts in Rs. million)

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Reagents, chemicals, surgicals and laboratory supplies*	120.55	98.62	72.57	48.58	67.69
Stores and others	16.47	11.53	6.29	7.47	4.55
	137.02	110.15	78.86	56.05	72.24
* including goods in transit	1.83	-	0.87	3.15	1.09

ANNEXURE XX: RESTATED UNCONSOLIDATED STATEMENT OF TRADE RECEIVABLES

(Amounts in Rs. million)

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Considered good unless stated otherwise					
Outstanding for a period exceeding six months from the date they are due for payment					
Secured, considered good	1.79	0.65	2.17	0.07	-
Unsecured, considered good	0.51	2.19	8.52	6.31	5.79
Unsecured, considered doubtful	22.16	11.70	6.52	9.41	15.23
	24.46	14.54	17.21	15.79	21.02
Provision for doubtful receivables	(22.16)	(11.70)	(6.52)	(9.41)	(15.23)
	2.30	2.84	10.69	6.38	5.79
Other receivables					
Secured, considered good	21.85	17.23	12.23	8.98	7.31
Unsecured, considered good	270.38	219.28	169.88	124.41	83.55
Unsecured, considered doubtful	15.71	11.90	5.81	1.26	2.02
	307.94	248.41	187.92	134.65	92.88
Provision for doubtful receivables	(15.71)	(11.90)	(5.81)	(1.26)	(2.02)
	292.23	236.51	182.11	133.39	90.86
Total	294.53	239.35	192.80	139.77	96.65

Trade receivables include:

(Amounts in Rs. million)

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Dues from Amolak Diagnostics Pvt. Ltd. in which the Company's director is a director	-	-	-	0.12	0.20
Dues from Paliwal Diagnostics Pvt. Ltd. in which the Company's director is a director	-	-	-	-	0.12
Dues from Medicave Diagnostics Centre Pvt. Ltd. in which the Company's director is a director	-	-	0.97	-	-

ANNEXURE XXI: RESTATED UNCONSOLIDATED STATEMENT OF CASH AND BANK BALANCES

(Amounts in Rs. million)

Particulars	As at 31 March 2015		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Cash and cash equivalents										
<i>Balances with banks:</i>										
On current accounts	-	139.91	-	108.67	-	58.31	-	40.26	-	30.68
On cash credit accounts	-	81.38	-	39.60	-	66.11	-	23.86	-	-
Deposits with original maturity of less than three months	-	-	-	-	-	20.00	-	-	-	-
Cash on hand	-	8.19	-	6.20	-	9.85	-	4.61	-	3.21
	-	229.48	-	154.47	-	154.27	-	68.73	-	33.89
<i>Other bank balances:</i>										
Deposits with original maturity for more than 12 months	3.86	432.91	0.30	131.17	2.31	7.05	6.36	23.04	2.04	101.60
Deposits with original maturity for more than 3 months but less than 12 months	-	788.92	-	746.59	-	0.49	-	0.27	-	69.68
	3.86	1,221.83	0.30	877.76	2.31	7.54	6.36	23.31	2.04	171.28
Amount disclosed under non-current assets (refer annexure XVII)	(3.86)	-	(0.30)	-	(2.31)	-	(6.36)	-	(2.04)	-
	-	1,451.31	-	1,032.23	-	161.81	-	92.04	-	205.17
Deposits with original maturity for more than 12 months pledged with banks	-	1.42	-	2.99	-	7.41	-	1.98	-	101.66
Deposits with original maturity for more than 3 months but less than 12 months pledged with banks	-	10.52	-	1.39	-	0.47	-	0.27	-	69.65

Cash Credit Accounts

Cash Credit accounts (Balance appearing as debit in the books of account) are secured by first charge on the current assets of the Company, both present and future. This carries interest @ 11.75% p.a.

ANNEXURE XXII: RESTATED UNCONSOLIDATED STATEMENT OF REVENUE FROM OPERATIONS

(Amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Revenue from operations					
Sale of services*	6,365.76	5,407.50	4,211.34	3,190.82	2,246.36
Scrap sales	0.35	0.38	0.36	0.47	0.20
	6,366.11	5,407.88	4,211.70	3,191.29	2,246.56

* Represents sale in respect of diagnostic services which consist of pathological / radiological investigations.

ANNEXURE XXIII-A: RESTATED UNCONSOLIDATED STATEMENT OF OTHER INCOME

(Amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	Recurring / Non recurring Income	Related / Not related to business
Dividend income (from current investments - other than trade)	21.91	13.88	21.24	0.67	0.71	Non Recurring	Not Related
Income from Long Term investment in the units of Fixed Maturity Plan of mutual funds (other than trade)	1.61	-	-	0.05	0.70	Non Recurring	Not Related
Dividend Income from a Subsidiary company	5.83	8.97	-	-	-	Non Recurring	Related
Surrender Value of Keyman Insurance Policy	4.36	3.47	3.50	3.52	2.79	Recurring	Related
Unspent Liability/ Miscellaneous balances written back	0.03	2.57	0.38	0.38	0.30	Non Recurring	Related
Foreign Exchange Fluctuation (net)	0.15	-	-	-	-	Recurring	Related
Bad Debts/ Advances, written off previously, now recovered	-	0.87	0.65	-	-	Non Recurring	Related
Other non-operating income	1.17	1.33	1.14	3.12	1.82	Recurring	Related
	35.06	31.09	26.91	7.74	6.32		

Note:

The classification of income as recurring / non-recurring and related / non-related to business activity is based on the current operations and business activity of the Company as determined by the management.

ANNEXURE XXIII-B: RESTATED UNCONSOLIDATED STATEMENT OF INTEREST INCOME

(Amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	Recurring / Non recurring Income	Related / Not related to business
Interest income on:							
- Bank deposits	91.20	56.02	1.91	11.76	16.32	Non Recurring	Not Related
- Others	0.13	0.12	0.12	0.22	-	Non Recurring	Not Related
	91.33	56.14	2.03	11.98	16.32		

Note:

The classification of income as recurring / non-recurring and related / non-related to business activity is based on the current operations and business activity of the Company as determined by the management.

ANNEXURE XXIV: RESTATED UNCONSOLIDATED STATEMENT OF COST OF REAGENTS, CHEMICALS, SURGICALS AND LABORATORY SUPPLIES CONSUMED

(Amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Inventory at the beginning of the year	98.62	72.57	48.58	67.69	58.52
Add: Acquired pursuant to Scheme of Amalgamation	-	4.23	-	-	-
Add : Purchases	1,369.57	1,166.56	942.05	698.87	596.21
	1,468.19	1,243.36	990.63	766.56	654.73
Less : Inventory at the end of the year	120.55	98.62	72.57	48.58	67.69
Cost of reagents, chemicals, surgicals and laboratory supplies consumed	1,347.64	1,144.74	918.06	717.98	587.04

ANNEXURE XXV: RESTATED UNCONSOLIDATED STATEMENT OF EMPLOYEE BENEFIT EXPENSES

(Amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Salaries, wages and bonus	988.81	781.83	610.98	466.24	338.53
Employee Stock Options compensation (refer annexure XXXV)	242.19	155.46	249.65	6.43	-
Contribution to provident and other funds	39.13	32.62	25.55	20.78	13.97
Gratuity expense (refer annexure XXXIV)	10.25	4.63	4.20	6.97	0.07
Staff training expenses	11.80	2.74	8.08	5.90	1.73
Staff welfare expenses	19.93	15.94	12.55	9.59	6.94
	1,312.11	993.22	911.01	515.91	361.24

ANNEXURE XXVI: RESTATED UNCONSOLIDATED STATEMENT OF OTHER EXPENSES

(Amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Electricity and Water charges	106.11	91.67	69.27	48.17	39.41
Rent	301.25	243.18	204.09	156.73	106.91
Rates and taxes	4.37	11.01	5.19	5.39	5.74
Insurance	19.48	15.81	13.80	10.34	11.26
Repairs and maintenance					
- Building	17.87	14.25	11.52	12.22	7.27
- Plant and Machinery	28.69	31.50	22.87	15.09	10.38
- Others	65.88	46.35	25.36	20.96	16.26
Advertisement and sales promotion	159.77	149.59	126.66	103.06	63.95
Travelling and conveyance	114.97	107.05	100.28	70.74	46.87
Vehicle running and maintenance	3.95	3.03	1.89	1.73	1.72
Postage and courier	172.96	137.72	96.13	64.99	50.08
Communication costs	39.34	36.87	28.32	25.46	22.71
Printing and stationery	87.71	70.50	55.90	34.82	24.09
Retainership fees to technical consultants	251.17	217.42	152.18	107.08	68.11
Fees to collection centers	560.39	487.32	400.70	323.08	149.27
Legal and Professional charges	73.02	86.19	65.13	55.29	67.64
Computer expenses	16.06	15.97	15.21	12.65	8.19
Laboratory test charges	10.17	9.06	10.45	13.58	10.15
Equipment rental charges	0.18	0.18	0.39	0.23	2.21
Payment to auditor (Refer details below)	7.43	4.89	4.89	3.58	1.77
Donation other than to political parties	0.23	0.36	0.06	0.09	0.03
Foreign Exchange Fluctuation (net)	-	2.20	1.12	0.04	0.50
Loss on sale of current investments (net)	-	5.67	-	-	-
Loss on disposal / discard of fixed assets (net)	0.69	5.39	1.79	0.66	0.88
Provision for doubtful debts & advances	22.44	16.42	5.84	1.66	4.87
Bad debts / advances written off (net)	9.30	9.28	6.01	9.68	8.05
Provision for doubtful debts and advances adjusted (net)	(8.01)	(6.73)	(3.50)	(6.89)	(6.13)
	1.29	2.55	2.51	2.79	1.92
Miscellaneous expenses	132.21	114.73	96.00	73.18	43.65
	2,197.63	1,926.88	1,517.55	1,163.61	765.84

Above Miscellaneous expenses include research and development expenses

0.98 1.34 1.34 1.40 -

Payment to auditor

(Amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
As auditor:					
Audit fees	5.81	2.68	2.25	2.46	1.32
Tax audit fees	1.24	0.98	0.56	0.34	0.33
In other capacity					
Other services (certification fees)	0.03	1.03	1.91	0.61	0.01
Reimbursement of expenses	0.35	0.20	0.17	0.18	0.11
	7.43	4.89	4.89	3.59	1.77

ANNEXURE XXVII: RESTATED UNCONSOLIDATED STATEMENT OF DEPRECIATION AND AMORTISATION

(Amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Depreciation of tangible assets	184.08	191.27	122.51	120.49	97.77
Amortisation of intangible assets	134.36	123.24	60.71	60.54	22.65
	318.44	314.51	183.22	181.03	120.42

ANNEXURE XXVIII: RESTATED UNCONSOLIDATED STATEMENT OF FINANCE COST

(Amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Interest expense*	3.91	2.36	3.57	25.05	5.87
	3.91	2.36	3.57	25.05	5.87

* including interest on income tax (Rs. in million)	0.02	0.70	2.82	1.16	0.15
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ANNEXURE XXIX: RESTATED UNCONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
A Restated Net Worth (Rs. in million)	3,192.37	2,158.03	1,518.51	1,120.24	926.03
B Restated Net profit after tax (Rs. in million)	879.69	739.53	488.75	410.09	284.25
C Dividend on convertible preference shares & tax there on (Rs. in million)	49.17	33.16	30.04	49.71	31.78
D Restated Net profit after tax for EPS (Rs. in million) (B-C)	830.52	706.37	458.71	360.38	252.47
E Restated Net profit after tax for diluted EPS (Rs. in million) (D+C)	879.69	739.53	488.75	410.09	284.25
Weighted average number of equity shares outstanding during the year					
F For basic earnings per share*	54,052,040	53,678,400	53,677,443	53,864,204	55,205,192
Effect of dilution:					
G Convertible preference shares**	26,632,320	26,632,320	26,632,320	26,632,320	26,632,320
H Dilutive impact of ESOPs outstanding	1,436,442	1,409,308	868,979	28,207	-
I For diluted earnings per share (F+G+H)	82,120,802	81,720,028	81,178,742	80,524,731	81,837,512
J Number of shares outstanding at the end of the year*	54,629,520	53,678,400	53,678,400	53,671,680	54,267,200
K Restated basic earnings per share (D/F)	15.37	13.16	8.55	6.69	4.57
L Restated diluted earnings per share (E/I)	10.71	9.05	6.02	5.09	3.47
M Restated Net Worth excluding preference share capital at the end of year (Rs. in million)	2,926.05	1,891.71	1,501.86	1,103.59	909.38
N Return on net worth (%) (B/A)	27.56%	34.27%	32.19%	36.61%	30.70%
O Net assets value per equity share (M/J)	53.56	35.24	27.98	20.56	16.76

Notes::

1. The ratio has been computed as below

$$\text{Basic earnings per share} = \frac{\text{Restated Net profit after tax}}{\text{Weighted average number of equity shares outstanding during the year}}$$

$$\text{Diluted earnings per share} = \frac{\text{Restated Net profit after tax}\#}{\text{Weighted average number of equity shares outstanding during the year}\#}$$

after adjusting for the effect of dilutive potential equity shares

$$\text{Return on net worth (\%)} = \frac{\text{Restated Net profit after tax}}{\text{Restated Net Worth}}$$

$$\text{Net assets value per share (Rs.)} = \frac{\text{Restated Net Worth excluding preference share capital}}{\text{Number of equity shares as at the year end}}$$

2. Earnings per share (EPS) calculation is in accordance with the notified Accounting Standard 20 'Earning per share'.

3. The figures disclosed above are based on the Restated Summary Statements o the Company.

* adjusted for bonus issue to equity shareholders of the Company in the ratio of 15 shares for every 1 share held during the year ended 31 March 2014 and subdivision of 1 share of Rs. 100 each into 10 shares of Rs. 10 each during the year ended 31 March 2015.

** adjusted for bonus issue to preference shareholders of the Company in the ratio of 15 shares for every 1 share held during the year ended 31 March 2014 and sub-division of 1 share of Rs. 100 each into 10 shares of Rs. 10 each during the year ended 31 March 2015.

ANNEXURE XXX: CAPITALISATION STATEMENT AS AT 31 MARCH 2015

(Amounts in Rs. million)		
Particulars	Pre Issue As at 31 March 2015	Post issue as at *
Borrowings :		
Short Term	-	
Long Term (A)	-	
Total Borrowing (B)	-	
Restated Shareholders' Fund		
Share Capital	812.62	
Restated Reserves and surplus	2,379.75	
Restated Total Shareholders' Fund (C)	3,192.37	
Long term Borrowings / Equity Ratio (A/C)	0.00%	
Total Borrowings / Equity Ratio (B/C)	0.00%	

* The Post issue Share capital, Reserves & Surplus and debt equity ratio can be calculated only on the conclusion of Book Building Process.

Notes:

1. The long term borrowings / equity ratio has been computed as under:
Long term borrowings / total shareholders' Funds
2. The total borrowings / equity ratio has been computed as under:
Total borrowings / total shareholders' Funds
3. Short term borrowings is considered as borrowing due within 12 months from the balance sheet date.
4. Long term borrowings is considered as borrowing other than short term borrowing, as defined above and also includes the current maturities of long term borrowings.
5. The figures disclosed above are based on the Restated Unconsolidated Summary Statements of assets and liabilities of the Company.

ANNEXURE XXXI: RESTATED UNCONSOLIDATED STATEMENT OF TAX SHELTER

(Amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Restated Profit before tax (A)	1,312.77	1,113.40	707.23	607.43	428.79
Tax rate - statutory rate (B)	33.99%	33.99%	32.45%	32.45%	33.22%
Tax as per actual rate on profits (C = A*B)	446.21	378.45	229.46	197.08	142.43
Adjustments:					
Permanent differences					
Disallowance under Section 14 A	1.17	1.64	1.46	-	-
Dividend income exempt under Section 10	(27.74)	(22.85)	(21.24)	(0.72)	(1.40)
Expense disallowed for R&D to be claimed on under Section 35(1)(ii)	0.98	1.34	1.34	1.40	-
Weighted deduction for R&D under Sec 35(1)(ii)	(1.72)	(2.34)	(2.34)	(2.45)	-
Fess for increase in Share Capital	-	3.75	-	-	-
Disallowance/ Allowance under Section 40(a)(ii)	0.02	0.70	2.82	1.16	0.15
Loss on Sale of Current Investments	-	5.67	-	-	-
ESOP Cost	-	-	-	6.43	-
Depreciation on Land	0.19	-	-	-	-
Depreciation on Goodwill	-	-	0.40	0.40	0.41
Disallowance under Section 40A(3) read with rule 6DD	-	-	-	0.56	-
Donation	0.13	0.26	0.06	0.09	0.03
Wealth Tax	0.20	0.12	0.06	0.31	-
Others	0.92	1.09	(0.99)	0.07	4.04
Total Permanent differences (D)	(25.85)	(10.62)	(18.43)	7.25	3.23
Timing difference					
Difference between tax and book depreciation	45.58	32.30	0.90	16.61	(26.17)
Provision for Bad and Doubtful debts in excess of deduction claimed u/s 36(1)(viii) of the Income Tax Act	14.43	9.69	2.34	(5.24)	(1.26)
Disallowance under Section 43B	46.73	29.07	22.39	17.83	9.58
Disallowance under Section 40(a)(ia) for non deduction of TDS	15.03	20.08	20.22	7.98	8.05
Provision for rent straight-lining	18.36	11.46	19.63	14.48	6.22
Disallowance under Section 35 DD	3.04	4.07	-	-	-
ESOP Cost disallowed to be claimed on exercise of options	42.92	155.46	249.44	-	-
Allowance under Section 43B	(6.44)	(36.42)	(12.39)	(27.34)	(4.39)
Surrender Value of Keyman Insurance	(4.36)	(3.47)	(3.50)	(3.52)	(2.79)
Expenses allowable u/s 40(a)(ia) which was disallowed in previous year	(19.52)	(18.72)	(6.22)	(14.42)	(2.85)
Income from fixed maturity plan investment	(1.61)	-	-	-	-
Allowance u/s 35DD	(1.42)	(0.81)	-	-	-
Forex Gain on Fixed Assets	(0.42)	0.89	-	(0.46)	-
Total Timing difference (E)	152.32	203.60	292.81	5.92	(13.61)
Total adjustments (F = D+E)	126.47	192.98	274.38	13.17	(10.38)
Tax on adjustments (G=F*B)	42.99	65.58	89.01	4.26	(3.46)
Deferred tax (credit) / charge for the year (H)	(56.12)	(70.16)	(99.99)	(4.00)	5.57
Tax for the year (I=C+G+H)	433.08	373.87	218.48	197.34	144.54
As per restated financials					
Current Tax	489.20	444.03	318.47	201.34	138.97
Deferred Tax	(56.12)	(70.16)	(99.99)	(4.00)	5.57
Total as per restated financial	433.08	373.87	218.48	197.34	144.54

Notes:

1. The permanent and timing differences for the year ended 31 March 2014, 2013, 2012 and 2011 have been computed based on the tax computations of Income-tax returns of the respective years.
2. Statutory tax rate includes applicable surcharge, education cess and higher education cess of the year concerned.

ANNEXURE XXXII: RESTATED UNCONSOLIDATED STATEMENT OF DIVIDEND DECLARED

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Equity share capital					
Issued number of shares	54,629,520	5,367,840	335,490	335,448	339,170
Face value	10	100	100	100	100
Rate of dividend (%)	15.34%	10.64%	154.28%	257.00%	164.28%
Amount of dividend (Rs. in million)	83.78	57.14	51.76	86.21	55.72
Total corporate dividend tax (Rs.. in million)	17.06	9.71	8.80	13.99	9.04
Preference share capital					
Issued number of shares	26,632,320	2,663,232	166,452	166,452	166,452
Face value	10	100	100	100	100
Rate of dividend (%)	15.34%	10.64%	154.28%	256.95%	164.29%
Amount of dividend (Rs. in million)	40.85	28.34	25.68	42.77	27.34
Total corporate dividend tax (Rs. in million)	8.32	4.82	4.36	6.94	4.44

ANNEXURE XXXIII: RESTATED UNCONSOLIDATED STATEMENT OF RELATED PARTIES AND RELATED PARTY TRANSACTION

a) List of related parties

Names of related parties and related party relationship	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Related parties where control exists					
Subsidiaries	-	-	Medex Healthcare Private Limited	Medex Healthcare Private Limited	Medex Healthcare Private Limited
	Paliwal Diagnostics Private Limited	Paliwal Diagnostics Private Limited	Paliwal Diagnostics Private Limited	Paliwal Diagnostics Private Limited	Paliwal Diagnostics Private Limited
	Paliwal Medicare Private Limited	Paliwal Medicare Private Limited	Paliwal Medicare Private Limited	Paliwal Medicare Private Limited	Paliwal Medicare Private Limited
	-	-	Amolak Diagnostics Private Limited	Amolak Diagnostics Private Limited	Amolak Diagnostics Private Limited
	-	-	Sanya Chemicals Private Limited	Sanya Chemicals Private Limited	Sanya Chemicals Private Limited
	-	-	Medicave Diagnostic Center Private Limited (wef March 31, 2013)	-	-
	APL Institute of Clinical Laboratory & Research Pvt Ltd (wef March 1, 2014)	APL Institute of Clinical Laboratory & Research Pvt Ltd (wef March 1, 2014)	-	-	-
Related parties with whom transactions have taken place during the year					
Key Management Personnel	Dr. Arvind Lal - Chairman cum Managing Director	Dr. Arvind Lal - Chairman cum Managing Director	Dr. Arvind Lal - Chairman cum Managing Director	Dr. Arvind Lal - Chairman cum Managing Director	Dr. Arvind Lal - Chairman cum Managing Director
	Dr. Vandana Lal – Director	Dr. Vandana Lal – Director	Dr. Vandana Lal – Director	Dr. Vandana Lal – Director	Dr. Vandana Lal – Director
	Dr. Om Prakash Manchanda - Director	Dr. Om Prakash Manchanda - Director	Dr. Om Prakash Manchanda - Director	Dr. Om Prakash Manchanda - Director	Dr. Om Prakash Manchanda - Director
Relatives of Key management Personnel	Dr. Archana Lal (Daughter of Dr. Arvind Lal & Dr. Vandana Lal)	Dr. Archana Lal (Daughter of Dr. Arvind Lal & Dr. Vandana Lal)	Dr. Archana Lal (Daughter of Dr. Arvind Lal & Dr. Vandana Lal)	Dr. Archana Lal (Daughter of Dr. Arvind Lal & Dr. Vandana Lal)	Dr. Archana Lal (Daughter of Dr. Arvind Lal & Dr. Vandana Lal)
	Mr. Anjaneya Lal (Son of Dr. Arvind Lal & Dr. Vandana Lal)	Mr. Anjaneya Lal (Son of Dr. Arvind Lal & Dr. Vandana Lal)	Mr. Anjaneya Lal (Son of Dr. Arvind Lal & Dr. Vandana Lal)	Mr. Anjaneya Lal (Son of Dr. Arvind Lal & Dr. Vandana Lal)	Mr. Anjaneya Lal (Son of Dr. Arvind Lal & Dr. Vandana Lal)
Enterprises owned or significantly influenced by key management personnel or their relatives	Central Clinical Laboratory	Central Clinical Laboratory	Central Clinical Laboratory	Central Clinical Laboratory	Central Clinical Laboratory
	Eskay House HUF - Dr. Arvind Lal	Eskay House HUF - Dr. Arvind Lal	Eskay House HUF - Dr. Arvind Lal	Eskay House HUF - Dr. Arvind Lal	Eskay House HUF - Dr. Arvind Lal

b) Related party transactions

(Amounts in Rs. million)

Transaction	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Mar-2011
a. Sale of services					
Subsidiaries					
Paliwal Diagnostic Private Limited	3.75	3.57	2.61	2.29	1.53
Amolak Diagnostics Private Limited	-	-	1.93	1.29	0.18
Sanya Chemicals Private Limited	-	-	-	-	0.27
APL Institute of Clinical Laboratory & Research Private Limited	0.12	-	-	-	-
Amount owed by related Parties					
Subsidiaries					
Paliwal Diagnostic Private Limited	-	-	-	-	0.12
Amolak Diagnostics Private Limited	-	-	-	0.12	0.20
Medicave Diagnostic Centre Private Limited	-	-	0.97	-	-
Amount owed to related Parties					
Subsidiaries					
Amolak Diagnostic Private Limited	-	-	-	4.46	-
b. Purchase of services					
Subsidiaries					
Paliwal Diagnostics Private Limited	0.06	-	-	-	-
c. Purchase of Fixed Assets					
Subsidiaries					
APL Institute of Clinical Laboratory & Research Private Limited	0.85	-	-	-	-
d. Loans and Advances given and repayment thereof					
Particulars					
Key Management Personnel					
Loans/Advances given					
Dr. OM Prakash Manchanda - Director	-	-	-	-	36.28
Repayment					
Dr. OM Prakash Manchanda - Director	-	-	3.39	9.47	23.42
Dr. Arvind Lal - Chairman cum Managing Director	-	-	-	-	1.95
Amount owed by related Parties					
Dr. OM Prakash Manchanda - Director	-	-	-	3.39	12.86
Interest Accrued					
Dr. Arvind Lal - Chairman cum Managing Director	-	-	-	-	0.11
Subsidiaries					
Loans/Advances given					
Paliwal Diagnostic Private Limited	0.94	0.71	-	0.24	3.15
Amolak Diagnostics Private Limited	-	-	1.68	0.54	6.87
Medex Healthcare Private Limited	-	-	1.85	8.30	4.02
Paliwal Medicare Private Limited	-	-	3.10	-	-
Sanya Chemicals Private Limited	-	-	-	25.47	22.90
APL Institute of Clinical Laboratory & Research Private Limited	2.61	6.45	-	-	-
Repayment					
Paliwal Diagnostic Private Limited	0.94	0.71	11.64	2.23	1.17
Amolak Diagnostic Limited	-	-	-	7.41	-
Medex Healthcare Private Limited	-	-	15.33	13.37	1.94
Paliwal Medicare Private Limited	3.10	-	5.46	-	-
Sanya Chemicals Private Limited	-	-	9.24	17.26	6.16
APL Institute of Clinical Laboratory & Research Private Limited	2.54	-	-	-	-

(Amounts in Rs. million)

Transaction	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Mar-2011
Amount owed by related Parties					
Paliwal Diagnostic Private Limited	-	-	-	11.64 **	13.63
Amolak Diagnostic Limited	-	-	1.68	-	6.87
Medex Healthcare Private Limited	-	-	9.65 *	23.13 *	28.20
Paliwal Medicare Private Limited	-	3.10 **	3.10 **	5.46 **	5.46
Sanya Chemicals Private Limited	-	-	15.71 *	24.94	16.73
APL Institute of Clinical Laboratory & Research Private Limited	6.52 *	6.45 *	-	-	-
e. Buy Back of Shares					
Key Management Personnel					
Dr. OM Prakash Manchanda - Director	-	-	-	17.72	-
f. Remuneration					
Key Management Personnel					
Salary, bonus and contribution to PF					
Dr. Arvind Lal - Chairman cum Managing Director	17.34	14.26	12.04	9.83	8.38
Dr. Vandana Lal - Director	13.90	11.37	9.66	7.92	6.72
Dr. OM Prakash Manchanda - Director	31.13	24.18	21.38	19.43	4.71
Relatives of Key management Personnel					
Dr. Archana Lal (Daughter of Dr. Arvind Lal & Dr. Vanadana Lal)	1.11	0.87	0.87	0.83	0.73
Dr. Anjaneya Lal (Son of Dr. Arvind Lal & Dr. Vanadana Lal)	1.36	1.18	1.00	-	-
Note: The remuneration to the key managerial personnel and their relatives does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.					
g. Rent					
Key Management Personnel					
Dr. Arvind Lal - Chairman cum Managing Director	0.09	0.06	-	-	-
Dr. Vandana Lal - Director	0.91	0.86	0.82	0.78	0.73
Enterprises owned or significantly influenced by key management personnel or their relatives					
Central Clinical Laboratory	0.13	0.16	0.20	0.19	0.18
Eskay House HUF - Dr. Arvind Lal	7.75	7.75	7.75	7.61	7.10
h. Security Deposit					
Enterprises owned or significantly influenced by key management personnel or their relatives					
Eskay House HUF - Dr. Arvind Lal	0.64	0.64	0.64	0.64	0.64
i. Other Transactions					
(i) Dividend Paid					
Key Management Personnel					
Dr. Arvind Lal - Chairman cum Managing Director	30.05	27.23	45.35	28.99	43.41
Dr. Vandana Lal - Director	19.15	17.35	28.89	18.47	27.66
Dr. OM Prakash Manchanda - Director	0.25	0.23	0.37	0.87	-
Relatives of Key management Personnel					
Dr. Archana Lal (Daughter of Dr. Arvind Lal & Dr. Vanadana Lal)	2.38	2.16	3.60	2.30	3.40
Dr. Anjaneya Lal (Son of Dr. Arvind Lal & Dr. Vanadana Lal)	2.38	2.16	3.60	2.30	3.40
Enterprises owned or significantly influenced by key management personnel or their relatives					
Eskay House HUF - Dr. Arvind Lal	2.04	1.85	30.08	1.97	2.95
ii) Dividend Received					
Subsidiary Company					
Paliwal Diagnostics Private Limited	5.83	8.97	-	-	-

(Amounts in Rs. million)

Transaction	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Mar-2011
(iii) Employee Stock Options Compensation					
Key Management Personnel					
Dr. OM Prakash Manchanda - Director	181.62	113.97	170.46	4.53	-
(iv) Employee Stock Options Compensation Outstanding					
Key Management Personnel					
Dr. OM Prakash Manchanda - Director	319.55	288.97	175.00	4.53	-
(v) Provision for diminution in the value of Investment					
Subsidiaries					
Sanya Chemicals Private Limited	-	-	16.79	16.79	16.79
(vi) Issue of Shares					
Key Management Personnel					
Dr. Om Prakash Manchanda – Director	18.45	-	-	-	-

Note:- No amount has been provided as doubtful debts or advances/written off or written back in respect of debts due from/to above parties, except as stated above.

* Loans given to above related parties are repayable on demand. These loans are interest free.

** Above loans are long term and interest free.

ANNEXURE XXXIV: RESTATED UNCONSOLIDATED STATEMENT OF EMPLOYEE BENEFITS

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months.

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the gratuity plan.

Statement of profit and loss

Net employee benefit expense recognized in employee cost:

(Amounts in Rs. million)

Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Current service cost	9.47	7.99	4.53	3.70	3.73
Interest cost on benefit obligation	3.21	2.33	1.79	1.23	1.14
Expected return on plan assets	(2.95)	(2.24)	(1.45)	(0.09)	-
Net actuarial (gain) / loss recognized in the year	0.52	(3.45)	(0.67)	2.13	(4.80)
Net benefit expense	10.25	4.63	4.20	6.97	0.07
Actual return on plan assets	2.83	2.14	1.45	0.12	-

Balance Sheet

Benefit Asset / Liability

(Amounts in Rs. million)

Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Present value of defined benefit obligation	46.77	35.35	25.98	21.08	15.01
Fair value of plan assets	36.49	30.14	23.73	2.04	1.04
Plan (liability)	10.28	5.21	2.25	19.04	13.97

Change in present value of the defined benefit obligation are as follows:

(Amounts in Rs. million)

Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Opening defined benefit obligation	35.35	25.98	21.08	15.01	13.94
Acquired pursuant to the scheme of Amalgamation	-	4.37	-	-	-
Current service cost	9.47	7.99	4.53	3.70	3.73
Interest cost	3.21	2.33	1.79	1.23	1.14
Benefits paid	-	-	-	-	(0.63)
- directly paid by the enterprise	(0.02)	-	(0.03)	(1.02)	-
- payment made out of the fund	(1.64)	(1.76)	(0.72)	(0.01)	1.63
Actuarial (gain) / loss	0.40	(3.56)	(0.67)	2.17	(4.80)
Closing defined benefit obligation	46.77	35.35	25.98	21.08	15.01

Change in fair value of plan assets are as follows:

(Amounts in Rs. million)

Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Opening fair value of plan assets	30.14	23.73	2.04	1.03	0.98
Acquired pursuant to the scheme of Amalgamation	-	3.79	-	-	-
Expected return	2.95	2.24	1.45	0.09	0.06
Contributions by employer	5.16	2.25	20.96	0.89	-
Benefits paid	(1.64)	(1.76)	(0.72)	(0.01)	-
Actuarial gain / (loss)	(0.12)	(0.11)	-	0.04	-
Closing fair value of plan assets	36.49	30.14	23.73	2.04	1.04

Expected to contribute to gratuity fund	10.81	9.44	4.82	20.50	-
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The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
	(%)	(%)	(%)	(%)	(%)
Investments with insurer	100	100	100	100	100

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
	(%)	(%)	(%)	(%)	(%)
Discount rate	7.87-7.95	9.1-9.15	8	8.5	8.2
Expected rate of return on plan assets	9.00-9.25	8.00-9.25	9.27	9	8
Increase in compensation cost	5-7	5	5	5	5
Employee turnover	2-14	2.00-10.00	10	10	2

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current year and previous years are as follows:

(Amounts in Rs. million)

Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Defined benefit obligation	46.77	35.35	25.98	21.08	15.01
Plan assets	36.49	30.14	23.73	2.04	1.04
(Deficit)	(10.28)	5.21	(2.25)	(19.04)	(13.97)
Experience adjustment on plan liabilities – (loss) / gain	(4.74)	0.42	1.41	0.84	1.03
Experience adjustment on plan assets – (loss) / gain	(0.12)	(0.11)	-	0.04	-

Defined contribution plan:

(Amounts in Rs. million)

Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Contribution to provident and other funds	29.56	23.54	18.42	15.16	12.29

ANNEXURE XXXV: EMPLOYEES STOCK OPTION PLAN

In terms of approval of shareholders accorded at the Annual General Meeting held on 20 August, 2010, the Company formulated Dr. Lal PathLabs Pvt. Ltd. Employee Stock Option Plan 2010 ("Plan") for specified categories of employees of the Company. As per the Plan, 3,808,960 Stock Options (after considering bonus shares issued during the year ended 31 March, 2014 and subdivision of shares of Rs. 100 each into 10 shares of Rs. 10 each) during the year ended 31 March 2015 can be issued to specified categories of employees of the Company. Each option, upon vesting, shall entitle the holder to acquire 1 equity share of Rs.10. Details of the plan are as under:

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6
Date of grant	01/Sep/10	01/Apr/11	01/Apr/12	01/Nov/13	01/Dec/13	23/Jan/15
Date of Board Approval	20/Aug/10	20/Aug/10	20/Aug/10	20/Aug/10	20/Aug/10	20/Aug/10
Date of Shareholder's approval	20/Aug/10	20/Aug/10	20/Aug/10	20/Aug/10	20/Aug/10	20/Aug/10
Number of options granted	2,972,160*	460,000*	80,000*	28,000*	28,000*	162,180
Method of settlement (cash / equity)	Cash	Cash	Cash	Cash	Cash	Cash
Vesting Period	51 months on monthly basis	51 months on monthly basis	60 months on monthly basis	60 months on monthly basis	60 months on monthly basis	48 months on monthly basis
Exercise period	Refer Note 1 below	Refer Note 1 below	Refer Note 1 below	Refer Note 1 below	Refer Note 1 below	Refer Note 1 below
Vesting conditions	Continued employment	Continued employment	Continued employment	Continued employment	Continued employment	Continued employment

* Updated by considering subdivision along with bonus.

Exercise of option:

Note 1: Exercise period shall be a period of five years from the date on which the Company's shares are listed on a recognized stock exchange in India, or a period of ten years from the date of vesting, whichever period ends later.

The details of activity under the aforesaid scheme have been summarized below:

Particulars	2015		2014		2013		2012		2011	
	Number of	Weighted	Number of	Weighted	Number of	Weighted	Number of	Weighted	Number of	Weighted
	Options	Average	Options	Average	Options	Average	Options	Average	Options	Average
		Exercise Price		Exercise Price		Exercise Price		Exercise Price		Exercise Price
				(Rs.)		(Rs.)		(Rs.)		(Rs.)
Outstanding at the beginning of the year	3,374,560	110.76	3,512,160	110.76	3,432,160	110.76	2,972,160	110.76	-	-
Granted during the year	162,180	110.76	56,000	110.76	80,000	110.76	460,000	110.76	2,972,160	110.76
Forfeited during the year	88,320	-	73,600	-	-	-	-	-	-	-
Exercised during the year	1,019,360	-	120,000	-	-	-	-	-	-	-
Expired during the year	-	-	-	-	-	-	-	-	-	-
Outstanding at the end of the year	2,429,060	124.15	3,374,560	110.76	3,512,160	110.76	3,432,160	110.76	2,972,160	110.76
Exercisable at the end of the year	2,236,460	111.36	2,722,240	110.76	2,039,078	110.76	1,215,520	110.76	408,000	110.76
Weighted average remaining contractual life (in years)	Refer Note 2		Refer Note 2		Refer Note 2		Refer Note 2		Refer Note 2	

Year	Exercise price (Rs.)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (Rs)	Fair Value of Parent Company's share (Rs.)
2015	110.76	2,266,880	Refer Note 2 below	110.76	311.30
	311.30	162,180	Refer Note 2 below	311.30	311.30
2014	110.76	3,374,560	Refer Note 2 below	110.76	235.72
2013	110.76	3,512,160	Refer Note 2 below	110.76	193.01
2012	110.76	3,432,160	Refer Note 2 below	110.76	113.39
2011	110.76	2,972,160	Refer Note 2 below	110.76	74.63

Note 2: As the exercise price is dependent on the listing of the Company's share, contractual life of the options cannot be determined

Stock Options granted:

(Amount in ' Million)

Particulars	Year Ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Weighted Average Fair Value of the Company's shares under the Stock Option Plan granted to the Employees	311.30	235.72	193.01	113.39	74.63
Method adopted to calculate the Weighted Average Fair Value of the Company's Shares	Weighted average of fair values determined on the basis of the Discounted Cash Flow and Comparable Transaction Method.	Weighted average of fair values determined on the basis of the Discounted Cash Flow and Comparable Transaction Method.	Weighted average of fair values determined on the basis of the Discounted Cash Flow and Comparable Transaction Method.	Simple average of fair values determined on the basis of the Net assets Value Method (based on value as at March 31, 2011) and Profit earning Capacity Value method based on profits of preceding five years, capitalized at the rate of 15%. The fair value so arrived has been reduced by restricted tradability discounting factor of 15%.	Simple average of fair values determined on the basis of the Net assets Value Method (based on value as at March 31, 2010) and Profit earning Capacity Value method based on profits of preceding five years, capitalized at the rate of 15%. The fair value so arrived has been reduced by restricted tradability discounting factor of 15%.
Interest free loan given to Dr. Lal Path Labs Pvt. Ltd. Employee Welfare Trust (Rs. in million)	344.42	105.26	81.44	63.14	-
Shares purchased by Dr. Lal Path Labs Pvt. Ltd. Employee Welfare Trust from employees under the ESOP Plan 2005 / 2010 till date (Equity shares of Rs. 10 each) (Rs. In million)	1.60	0.75	0.71	-	-
Employee Compensation Cost (Rs. In million)	242.19	155.46	249.65	6.43	-

- The Employee Stock Option Plan provides for an exit route to the employees till the Company's shares are listed on a recognised stock exchange, whereby the employees may offer to sell the shares to ESOP trust at fair value as on the date of application or as provided in the ESOP Plan. During the year ended 31 March 2014, the Company had reassessed the ESOP scheme as cash settled basis as against equity settled basis treated in earlier year's financial statements. As a result of this, the Company had during the year ended 31 March 2014 accounted for additional compensation cost of Rs. 404.34 million, which includes Rs. 255.87 million for earlier years. The same has been reflected in the restated financials in respective years to which the cost pertained.

ANNEXURE XXXVI: OTHER NOTES TO SUMMARY OF RESTATED UNCONSOLIDATED STATEMENT OF PROFIT AND LOSS (ANNEXURE II) AND SUMMARY OF RESTATED UNCONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES (ANNEXURE I)

1 Segment Information

Primary segments: Business Segment

The Company is solely engaged in the business of running laboratories for carrying out Pathological investigations of various branches of Bio-chemistry, Hematology, Histopathology, Microbiology, Electrophoresis, Immuno-chemistry, Immunology, Virology, Cytology, other pathological and radiological investigations. The entire operations are governed by the same set of risks and returns and hence have been considered as representing a single business segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard 17 on Segment Reporting 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 the Companies Act, 2013.

Secondary Segments: Geographical Segments

The analysis of geographical segment is based on geographical location of its customers.

The following table shows the distribution of the Company's consolidated revenue and trade receivables by geographical market:

(Amounts in Rs. million)					
Particulars	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Mar-2011
1. Revenue					
- India	6,346.17	5,388.85	4,192.15	3,177.08	2,238.64
- Outside India	19.94	19.03	19.55	14.21	7.92
Total Revenue	6,366.11	5,407.88	4,211.70	3,191.29	2,246.56
2. Trade Receivables					
- India	287.08	233.60	188.22	133.60	93.84
- Outside India	7.45	5.75	4.58	6.17	2.81
Total Trade Receivables	294.53	239.35	192.80	139.77	96.65

Note: All assets other than the trade receivables as disclosed above are located in India.

2 Net dividend remitted in foreign exchange

Year of remittance (ending on)	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Mar-2011
Period to which it relates	1 April 2013 to 31 March 2014	1 April 2012 to 31 March 2013	1 April 2011 to 31 March 2012	1 April 2010 to 31 March 2011	1 April 2009 to 31 March 2010
Number of non-resident shareholders	2	2	1	1	1
Number of equity shares of Rs. 100 held on which dividend was due	80	10	5	5	10
Number of preference shares of Rs. 100 held on which dividend was due	1,703,056	158,129	83,226	83,076	166,152
Amount remitted in (USD)					
- on equity shares (in million)	0.00	0.00	0.00	0.00	0.00
- on preference shares (in million)	0.30	0.41	0.38	0.30	0.89
Amount remitted in (INR)					
- on equity shares (in million)	0.00	0.00	0.00	0.00	0.00
- on preference shares (in million)	18.13	24.40	21.39	13.67	40.95

3 Assets taken on Operating Leases

Office premises and equipments are obtained on operating lease. The lease terms are ranging from 1-10 years and are generally cancellable at the option of the Company. However, there are lock in period in case of few leases.

Future minimum lease payments are as follows:-

(Amounts in Rs. million)					
Particulars	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Mar-2011
Not later than one year	79.36	32.05	20.97	15.72	14.59
Later than one year but not later than five years	87.55	44.92	28.07	21.08	20.37
Later than five years	-	0.35	-	-	-
	166.91	77.32	49.04	36.80	34.96

4 Capital and other commitments :

(Amounts in Rs. million)					
Particulars	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Mar-2011
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	44.91	54.72	3.84	34.31	14.93
(b) Commitment of reagent purchases in lieu of suppliers providing laboratory machineries free of cost	Not quantifiable	Not quantifiable	Not quantifiable	Not quantifiable	Not quantifiable
(c) Other Commitments (R&D commitment)	-	10.75	12.08	12.42	-

5 Contingent liabilities (not provided for) in respect of :

(Amounts in Rs. million)					
Particulars	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Mar-2011
Claims against the Company by a vendor not acknowledged as debts* (As per the Company these claims are not tenable and therefore no provision is required)	59.80	59.80	59.80	58.97	-
Other claims against the Company not acknowledged as debts*	10.06	9.25	10.48	8.65	8.74
Disputed income tax demands under appeal *	-	-	1.46	0.68	-

* Based on the discussions with the solicitor/ expert opinions taken/status of the case, the management believes that the Company has strong chances of success in above mentioned cases and hence no provision there against is considered necessary at this point in time as the likelihood of liability devolving on the Company is less than probable.

6 Particulars of unhedged foreign currency exposure as at the reporting date

(Amounts in Rs. million)					
Particulars	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Mar-2011
Import Trade Payable - USD	0.05	0.01	0.02	0.05	0.03
- INR	3.29	0.76	1.28	2.40	1.23
Import Trade Payable - AUD	-	0.01	0.04	-	0.01
- INR	-	0.30	2.35	-	0.54
Export Trade Receivable - SAR	0.32	0.30	0.25	0.41	0.18
- INR	5.15	4.82	3.67	5.58	2.26
Export Trade Receivable - KD	0.00	0.00	0.00	0.00	0.00
- INR	0.21	0.19	0.18	0.38	0.44
Export Trade Receivable - NGN	0.16	0.33	-	-	-
- INR	0.06	0.12	-	-	-
Export Trade Receivable - OMR	0.01	0.00	0.00	0.00	-
- INR	0.93	0.33	0.56	0.15	-
Export Trade Receivable - USD	0.01	0.00	0.00	-	-
- INR	0.50	0.30	0.18	-	-
Export Trade Receivable - QAR	0.04	-	-	-	-
- INR	0.60	-	-	-	-
Export Trade Receivable - AED	-	-	-	0.00	-
- INR	-	-	-	0.02	-
Export Trade Receivable - MYR	-	-	-	0.00	-
- INR	-	-	-	0.04	-
Advance to Suppliers - USD	-	-	-	-	0.00
- INR	-	-	-	-	0.03

7 Value of Imports calculated on CIF Basis (on accrual basis)

(Amounts in Rs. million)					
Particulars	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Mar-2011
Reagents , Surgical , Chemicals and laboratory supplies	17.74	17.93	6.07	9.42	3.48
Capital Goods	20.32	45.36	4.06	24.38	16.77
Spare parts	0.37	-	-	-	-

8 Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprise Development (MSMED) Act, 2006

(Amounts in Rs. million)

Particulars	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Mar-2011
1 The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting period.	0.50	Nil	Nil	Nil	Nil
2 The amount of interest paid by the buyer in terms of Section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period.	Nil	Nil	Nil	Nil	Nil
3 The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil	Nil	Nil	Nil
4 The amount of interest accrued and remaining unpaid at the end of each accounting period; and	Nil	Nil	Nil	Nil	Nil
5 The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil	Nil	Nil	Nil

9 Expenditure in Foreign Currency (accrual basis)

(Amounts in Rs. million)

Particulars	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Mar-2011
Travelling & Conveyance	1.70	2.14	1.19	1.40	1.22
Computer expenses	-	3.21	6.86	8.33	6.01
Lab Test Expenses	2.52	2.69	2.57	2.23	2.56
Fees & Subscription	0.84	0.82	0.45	0.10	0.01
Repair & Maintenance	17.81	17.31	1.62	1.96	0.70
Software	13.82	18.01	11.68	53.94	5.75
Miscellaneous Expenses	5.34	3.62	1.03	2.67	-
Legal and Professional Expense	-	-	-	-	36.85

10 Earnings in Foreign Currency (accrual basis)

(Amounts in Rs. million)

Particulars	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Mar-2011
Export Services	19.94	19.03	19.55	14.21	7.92

11 Imported and indigenous Reagents, Chemicals, surgicals and Laboratory supplies, consumed

Particulars	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Mar-2011
	Amounts in Rs. million	Amounts in Rs. million	Amounts in Rs. million	Amounts in Rs. million	Amounts in Rs. million
Imported	21.11	18.13	7.77	7.95	2.55
Indigenously Obtained	1,326.53	1,126.61	910.29	710.03	584.49
	1,347.64	1,144.74	918.06	717.98	587.04
	% of total consumption	% of total consumption	% of total consumption	% of total consumption	% of total consumption
Imported	1.57%	1.58%	0.85%	1.11%	0.43%
Indigenously Obtained	98.43%	98.42%	99.15%	98.89%	99.57%
	100.00%	100.00%	100.00%	100.00%	100.00%

12(a) Investments

Subsidiary Name	Amount of Investments (Rs. in million)	Book Value per Share as on 31 March, 2015* (Rs.)	Book Value per Share as on 31 March, 2014* (Rs.)	Purchase Value per Share as on 31 March, 2015 (Rs.)
APL Institute of Clinical Laboratory and Research Private Limited	70.87	1,091.92	900.16	7,087.00

* as per audited financial statements

This Company has earned profits in the current financial year as well as in the previous financial years. This being a long term strategic investment and also in view of the projected profitable operations of the Company, the management is of the view that the diminution in the value of the investment is temporary in nature and hence no provision is required to be made there against.

12(b) Investment in subsidiary

- The Company had, during the previous year 31 March 2014, made an investment of Rs. 70.87 million (including stamp duty of Rs. 0.19 million paid by the Company) in equity shares of APL Institute of Clinical Laboratory and Research Private Limited. The Company has made part payment of Rs. 40.67 million against the consideration payable for the purchase of equity shares till the end of current financial year. The balance consideration is payable subject to achievement of minimum Net Revenue and target EBITDA, as specified in the agreement, by the Company after 12 months from the date of signing of share purchase agreement along with 10% interest per annum from April 1, 2014. The investment has been recorded at full consideration and the unpaid consideration of Rs. 30. million has been shown as 'Creditors against purchase of investment' in Annexure IX under Restated Statement of Trade Payables and Other Liabilities.

- The Company has, during the previous year ended 31 March 2014, formed a wholly owned foreign subsidiary, Dr. Lal PathLabs International B.V., Amsterdam, with a issued capital of EUR 0.1 million consisting of 10,000 shares of EUR 10 each. However, no amount has been subscribed till the year end.

- During the year ended 31 March 2013, the Company had made an investment of Rs. 120.3 million in equity shares of Medicave Diagnostic Centre Private Limited.

- The Company had, during the year ended 31 March 2011, made an investment of Rs. 130.10 million in equity shares of Amolak Diagnostics Private Limited.

13 Purchase of business

- The Company has, during the year, purchased business of "Modern Pathology Laboratory" and "The Nirnoy" engaged in the business of providing radiological and pathological diagnostics services in Raipur and Kolkata respectively, on a going concern basis for a purchase consideration of Rs. 30.00 million and Rs. 5.00 million respectively. The Company has made part payment of Rs. 22.50 million and Rs. 2.00 million against consideration payable for purchase of these businesses respectively. The balance consideration in case of "Modern Pathology Laboratory" will be payable along with 10% interest per annum from November 25, 2014 i.e. from the date of signing of agreement. The investment has been recorded at full consideration and the unpaid consideration of Rs. 7.50 million and Rs. 3.00 million respectively has been shown as 'Creditors against purchase of business' in Annexure IX under Restated Statement of Trade Payables and Other Liabilities. The amount of Rs. 14.31 million paid over and above the value of net assets acquired of Rs. 20.69 million (including Trade mark of Rs. 15.28 million) has been recognised as Goodwill.

- During the year ended 31 March 2012, the Company had purchased the pathology business of Santosh Diagnostic & Scan Centre ("SDSC"), engaged in the business of providing pathology and radiology at Bangalore, as a going concern on slump sale basis for a purchase consideration of Rs. 23.50 million (as detailed in the agreements). The Company had made part payment against the consideration payable for the purchase of said business. The amount of Rs. 9.00 million, paid over and above the value of net assets acquired of Rs. 14.50 million, has been recognized as Goodwill.

- During the year ended 31 March 2011, the Company had purchased the business of Doctors Diagnostic Centre International ("DDCI"), engaged in the business of providing pathology and radiology in Cochin, as a going concern on slump sale basis for a purchase consideration of Rs. 160.00 million (as detailed in the agreement). The amount of Rs. 16.45 million paid over and above the value of net assets acquired of Rs. 143.55 million (including Trademark of Rs. 137.20 million recognised on the basis of valuation done by a valuer), has been recognised as Goodwill.

- During the year ended 31 March 2011, the Company had purchased the business of Haldwani Diagnostic Centre, engaged in the business of providing pathology in Haldwani as a going concern on a slump sale basis for a purchase consideration of Rs. 12.50 million. The amount of Rs. 1.60 million paid over and above the value of net assets acquired aggregating to Rs. 10.90 million (including Trademark of Rs. 9.30 million recognised on the basis of valuation done by a valuer), has been recognised as Goodwill.

14 Buyback of shares

During the year ended 31 March 2012, the Company had, pursuant to share buy back offer, approved by the Board of Directors in the meeting held on July 11, 2011, bought back 3,722 Equity Shares of Rs. 100 each at an average price of Rs. 17,721 per share and accordingly:

- (i) The face value of these shares were reduced from the paid up Equity Share Capital.
- (ii) The balance price of Rs. 17,621 per share paid on these shares aggregating to Rs. 65.59 million was adjusted from the Securities Premium Account.
- (iii) As required under the provisions of the Companies Act, 1956, Rs. 0.37 million was transferred to Share Buy Back Reserve from the Securities Premium Account.

During the year ended 31 March 2011, the Company had, pursuant to share buy back offer, approved by the Board of Directors in the meeting held on August 20, 2010, bought back 13,543 Equity Shares of Rs. 100 each at an average price of Rs. 17,721 per share and accordingly:

- (i) The face value of these shares were reduced from the paid up Equity Share Capital.
- (ii) The balance price of Rs. 17,621 per share paid on these shares aggregating to Rs. 238.64 million was adjusted from the Securities Premium Account.
- (iii) As required under the provisions of the Companies Act, 1956, Rs. 1.35 million was transferred to Share Buy Back Reserve from the Securities Premium Account.

15 Impact of change in useful life assets on depreciation / amortization

- During the year ended March 31, 2015 the Company has changed the useful life of the fixed assets of the subsidiaries merged with the Company w.e.f. April, 1, 2014 to align with the useful life policy of the transferee company. Had these transferor subsidiary companies continued to use the earlier basis of providing depreciation, the charge to the statement of profit and loss for the current year would have been lower by Rs. 5.63 million (net of tax Rs. 3.68 million) and the net block of fixed assets would correspondingly have been higher by Rs. 5.63 million.

- During the year ended 31 March 2014, the Company had reassessed the useful life of certain fixed assets w.e.f. April 1, 2013. Accordingly, additional depreciation of Rs. 48.79 million had been accounted for in the financial statements. Had the Company continued to use the earlier basis of providing depreciation, the charge to the statement of profit and loss for the year ended 31 March 2014 would have been lower by Rs. 32.21 million (net of tax of Rs. 16.58 million) and the net block of these fixed assets would correspondingly have been higher by Rs. 48.79 million.

- During the year ended 31 March 2012, the Company had revised the estimated useful life of some of its softwares (included in the block of software under intangible) to two years to four years as against earlier estimated useful lives of five years, due to change in technological environment. Had the Company continued to use the earlier basis of providing amortization, the charge to the statement of profit and loss for the year ended 31 March 2012 would have been lower by Rs. 5.30 million (net of tax of Rs. 3.58 million) and the net block of intangible assets would correspondingly have been higher by Rs. 5.30 million.

- During the year ended 31 March 2011, the Company had reassessed the useful life for amortization of Goodwill. The Company had decided to amortize the goodwill over a period of five years as against hitherto followed practice of amortizing the same over a period of three years, had the Company continued to amortize goodwill over a period of three years, the charge of amortization to the statement of profit and loss for the year ended 31 March 2011 would have been higher by Rs. 1.36 million and correspondingly the net block of goodwill would have been lower by Rs. 1.36 million.

16 Amalgamation

- I. Pursuant to the Scheme of Amalgamation [“the Scheme”] under Section 391/394 of the Companies Act 1956 among the Company and its erstwhile wholly owned subsidiary companies, namely Sanya Chemicals Private Limited (“Sanya”), Amolak Diagnostics Private Limited (“Amolak”), Medex Healthcare Private Limited (“Medex”), Medicave Diagnostic Centre Private Limited (“MDCPL”) and Medicave Medical Systems Private Limited (“MMSPL”) [Transferor Companies] approved by respective Hon'ble High Courts, the Transferor Companies stand merged with the Company w.e.f. April 1, 2013 (the appointed date).

Name of the companies	Date of approval of the Scheme by respective Hon'ble High Court	Date of receipt of Certified High Court Order	Date of filing of the Certified High Court Order with the respective ROC
Dr. Lal PathLabs Private Limited	Refer Note	Refer Note	Refer Note
Sanya Chemicals Private Limited ("Sanya")	7/7/2014	9/11/2014	10/10/2014
Amolak Diagnostic Private Limited ("Amolak")	8/21/2014	3/19/2015	3/27/2015
Medex Healthcare Private Limited ("Medex")	8/21/2014	3/19/2015	3/27/2015
Medicave Medical System Private Limited ("MMSPL")	12/19/2014	2/24/2015	3/18/2015
Medicave Diagnostic Centre Private Limited ("MDCPL")	3/26/2015	5/8/2015	5/21/2015

Note: Approval is not required for Dr. Lal PathLabs Private Limited ("the transferee company") as per the order dated April 02, 2014 of the Hon'ble High Court of Delhi. Accordingly, there is no requirement of filing the sanction order with the ROC, NCT of Delhi and Haryana as per Section 391-394 of the Companies Act, 1956. However, the Company has filed the order with the ROC, NCT of Delhi and Haryana. The Company has electronically filed E Form INC-28 on July 3, 2015 and resubmitted the said form alongwith the order on July 9, 2015 for the purpose of intimating the ROC, NCT of Delhi and Haryana regarding the scheme and getting the approval for increase in authorised share capital. The Company has received a comment from ROC, NCT of Delhi and Haryana that there is a delay in filing E Form INC-28 and that the Company may ask for condonation for delay.

The Company is legally opined that the Scheme of Amalgamation is effective from May 21, 2015, the date on which the order of the Hon'ble High Court of Rajasthan (i.e. last order) was filed with the ROC, Rajasthan.

With effect from the appointed date, all the business undertakings, assets, liabilities, rights and obligations of the Transferor Companies stood transferred to and vested in the Company.

- II. The amalgamation has been accounted for by applying pooling of interest method of accounting except to the extent as stated in Note 17 below, where in all the assets and the liabilities of the Transferor companies have been accounted for at their book values as on April 1, 2013, the summary of which is as below :

(Amounts in Rs. million)					
Particulars	Sanya	Amolak	Medex	MMSPL	MDCPL
Assets					
Non-current assets					
Fixed assets					
Tangible assets	1.33	14.03	4.08	10.50	16.02
Intangible assets	13.87	0.50	-	-	0.05
Deferred tax assets (net)	0.40	2.04	0.68	-	-
Long- term loans and advances	-	0.65	-	-	-
Other non-current assets	-	0.01	-	-	-
	15.60	17.23	4.76	10.50	16.07
Current assets					
Current investments	-	40.07	-	-	-
Inventories	1.20	1.85	0.60	0.10	0.47
Trade receivables	1.19	1.86	3.20	-	0.25
Cash and bank balances	1.36	11.11	1.28	3.90	10.18
Short-term loans and advances	0.42	0.23	5.54	1.80	4.24
Other current assets	-	1.79	-	3.55	16.49
	4.17	56.91	10.62	9.35	31.63
Total Assets	19.77	74.14	15.38	19.85	47.70
Non-current liabilities					
Long-term borrowings	-	-	-	3.27	-
Long- term provisions	-	0.07	-	-	-
Deferred tax liabilities (net)	-	-	-	1.13	1.69
	-	0.07	-	4.40	1.69
Current liabilities					
Short-term borrowings	21.50	-	9.65	3.92	0.17
Trade payables	1.10	2.44	0.91	5.30	19.90
Other current liabilities	0.65	3.76	0.05	-	-
Short-term provisions	-	5.45	3.48	1.14	2.45
	23.25	11.65	14.09	10.36	22.52
Total Liabilities	23.25	11.72	14.09	14.76	24.21
Net Assets / (Liabilities)	(3.48)	62.42	1.29	5.09	23.49

- III. Transferor companies were wholly owned subsidiaries of the Company and their entire share capital were held by the Company and its nominees. Upon the Scheme becoming effective, the shares held by the Company and its nominees in the Transferor Companies shall stand cancelled and extinguished without any further application, act, instrument or deed and no shares shall be issued to the shareholders of the Transferor Companies.
- IV. As per the Scheme of Amalgamation, the authorized share capital of the Company will automatically increase to Rs. 864 million comprising of equity share capital of Rs. 589 million and preference share capital of Rs. 275 million by merging the authorized share capital of Transferor Companies with the Company without any further act or deed on the part of the Company on the effective date as defined in the Scheme. In order to intimate the ROC, NCT of Delhi and Haryana regarding the Scheme and to get its authorised share capital increased as per the Scheme, the Company has filed E Form INC-28 on July 3, 2015 and resubmitted the said form on July 9, 2015.
- V. The results of the Company for the year ended March 31, 2014 are after giving effect to the Scheme, whereby the transferor companies have amalgamated into the Company with effect from the appointed date of April 1, 2013.
- VI. As per the Scheme, during the period between the Appointed date and the Effective date, the Transferor Companies have carried on the business in "trust" on behalf of the Company. Further, all profits or incomes earned and losses and expenses incurred by the Transferor Companies during the period, for all purposes, is profits or income or expenditure or losses of the Company.
- VII. The title deeds for immovable properties, licenses, agreements, bank accounts, loan documents etc. of the Transferor Companies are in the process of being transferred in the name of the Company.

VIII. The audit of the transferor companies for the year ended March 31, 2014 was carried out by the auditors of the respective companies. These financial statements have been prepared considering audited financial statement of the respective transferor company

Name of the Transferor company	Name of the auditors
Sanya Chemicals Private Limited	Gupta & Dua , Chartered Accountants
Medicave Medical System Private Limited	S.B & Associates , Chartered Accountants
Medicave Diagnostic Centre Private Limited	S.B & Associates , Chartered Accountants
Medex Healthcare Private Limited	Deva & Associates , Chartered Accountants
Amolak Diagnostic Private Limited	Gupta & Dua , Chartered Accountants

- 17 Pursuant to the Scheme of Amalgamation (as referred in Note 16), the amalgamation has been accounted for by applying pooling of interest method of accounting wherein all the assets and the liabilities of the Transferor Companies have been accounted for at their book values as on April 1, 2013. The difference between the book value of net assets of transferor companies and value of investments in the shares of the transferor companies by the Company is debited to Goodwill amounting to Rs. 245.49 million, instead of adjusting the same differential amount in the reserves in the financial statements of the Company.
- The above treatment is not in accordance with the requirements of Accounting Standard - 14, Accounting for Amalgamation. Had the Company strictly followed the treatment as required under Accounting Standard – 14, the profit for the year before tax for the year ended 31 March 2014 would have been higher by Rs. 49.10 million (Rs. 32.41 million net of income tax), Profit before tax for the year ended 31 March 2015 would have been higher by Rs. 49.10 million (Rs. 32.41 million net of income tax) and Reserves and Surplus would have been Rs. 2,199.03 million instead of Rs. 2,379.70 million.
- 18 In light of Section 135 of the Companies Act 2013, the Company has not incurred any expense on Corporate Social Responsibility (CSR). The gross amount required to be spent by the Company during the year on CSR activities was Rs. 15.92 million.
- 19 The amortization of goodwill arising on scheme of amalgamation has been treated as deductible expense under Section 32 of the Income Tax Act, 1961 on the basis of judicial pronouncements and legal opinion obtained by the Company.

- 20 During the year ended 31 March 2011, In connection with the transfer of Company's shares by a shareholder to another shareholder during the year, the Company has paid professional fees aggregating to Rs. 39.94 million in accordance with the shareholder's agreement entered by the Company with the said shareholder.

21 Disclosure required under Section 186(4) of the Companies Act 2013

Included in loans and advance are certain inter-corporate deposits the particulars of which are disclosed below as required by Section 186(4) of Companies Act 2013

(Amounts in Rs. million)

Name of the loanee	Rate of Interest	Due date	Secured/unsecured	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Mar-2011
APL Institute of Clinical Laboratory & Research Private Limited	Interest free	Repayable on demand	Unsecured	6.52	6.45	-	-	-
Paliwal Medicare Private Limited	Interest free	Long term	Unsecured	-	3.10	3.10	5.46	5.46
Paliwal Diagnostics Private Limited	Interest free	Long term	Unsecured	-	-	-	11.64	13.63
Sanya Chemicals Private Limited*	Interest free	Repayable on demand	Unsecured	-	-	15.71	24.94	16.73
Medex Healthcare Private Limited*	Interest free	Repayable on demand	Unsecured	-	-	9.65	23.13	28.20
Amolak Diagnostics Private Limited*	Interest free	Repayable on demand	Unsecured	-	-	1.68	-	6.87

*Merged with the Company pursuant to the Scheme of Amalgamation.

The loans have been utilized for meeting their working capital requirements.
For details of investments made by the Company refer Annexure XIV.

- 22 During the year ended 31 March 2014, the Company had acquired assets and liabilities of certain subsidiaries through the scheme of amalgamation. Further, the Company has set up new/acquired laboratories at various locations in India and some new patients' service centers at various locations. Hence, figures for the year ended 31 March 2015 are not strictly comparable with those of the previous years.

23 Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.: 301003E

For and on behalf of the Board of Directors of
Dr. Lal PathLabs Limited
CIN No. U74899DL1995PLC065388

per Anil Gupta
Partner
Membership No. 87921

(Hony.) Brig. Dr. Arvind Lal
[Chairman and Managing Director]

Dr. Om Prakash Manchanda
[Director]

Place: Gurgaon
Date: August 28, 2015

Mr. Dilip Bidani
[Chief Financial Officer]

Mr. Rajat Kalra
[Company Secretary]

Report of auditors on the Restated Consolidated Summary Statement of Assets and Liabilities as at March 31, 2015, 2014, 2013, 2012 and 2011 and Profits and Losses and Cash Flows for each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011 for Dr. Lal PathLabs Limited and its Subsidiaries

The Board of Directors

Dr. Lal PathLabs Limited [Formerly Dr. Lal PathLabs Private Limited]

12th Floor, Tower-B, SAS Tower,

Medicity, Sector-38, Gurgaon-122001, Haryana

India

Dear Sirs,

1. We have examined the Restated Consolidated Summary Statements of Dr. Lal PathLabs Limited (the “Company”) and its subsidiaries [together referred to as (the “Group”)] , as at March 31, 2015, 2014, 2013, 2012 and 2011 and for each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011 annexed to this report for the purpose of inclusion in the offer document (collectively the “Restated Consolidated Financial Information”) prepared by the Company in connection with its proposed Initial Public Offer (“IPO”).

Such restated consolidated financial information, which has been approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of:

- a. sub-clause (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Chapter III of The Companies Act 2013 (the “Act”) read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014; and
 - b. relevant provision of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “Regulations”) issued by the Securities and Exchange Board of India (“SEBI”) on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.
2. We have examined such restated consolidated financial information taking into consideration:
 - a. the terms of our engagement agreed with you vide our engagement letter dated August 21, 2015, requesting us to carry out work on such restated consolidated financial information, for the purpose of submission to SEBI in connection with the Company’s proposed IPO; and
 - b. the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.
 3. The Company proposes to make an initial public offer for sale by certain shareholders’ existing equity shares of Rs.10 each at such premium, arrived at by book building process (referred to as the “Issue”), as may be decided by the Company’s Board of Directors.
 4. The restated consolidated financial information has been compiled by the management from the audited consolidated financial statements of the Company as at and for each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011 prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the board of directors on August 18, 2015, March 30, 2015, November 21, 2013, March 27, 2013 and March 27, 2013, respectively, and books of account, financial and other records of the Company in relation to the year ended March 31, 2011, to the extent considered necessary, for the presentation of the Restated Consolidated Financial Information under the requirements of the Schedule III of the Companies Act, 2013.

Those consolidated financial statements included information in relation to the Company’s subsidiaries as listed below:

Name of the entity	Relationship	Period covered
Paliwal Diagnostic Private Limited	Subsidiary	Years ended March 31, 2015, 2014, 2013, 2012 and 2011.
Paliwal Medicare Private Limited	Subsidiary	Years ended March 31, 2015, 2014, 2013, 2012 and 2011.
APL Institute of Clinical Laboratory & Research Private Limited	Subsidiary	Years ended March 31, 2015 and 2014.

Amolak Diagnostics Private Limited	Subsidiary*	Years ended March 31, 2013, 2012 and 2011.
Medex Healthcare Private Limited	Subsidiary*	Years ended March 31, 2013, 2012 and 2011.
Sanya Chemicals Private Limited	Subsidiary*	Years ended March 31, 2013, 2012 and 2011.
Medicave Diagnostic Centre Private Limited	Subsidiary*	Years ended March 31, 2013.

* Merged with the Company with effect from April 1, 2013.

5. For the purpose of our examination, we have relied on
- the consolidated financial statements of the Company for the year ended March 31, 2015, 2014 and 2013 audited by us, in respect of which we have issued our auditor's reports dated August 18, 2015, March 30, 2015 and November 21, 2013;
 - The consolidated financial statements of the Company for the year ended March 31, 2012 and 2011 audited by S R B C & CO, in respect of which S R B C & CO has issued their auditor's reports dated March 27, 2013 and books of account, financial and other records of the Company in relation to the year ended March 31, 2011, to the extent considered necessary, for the presentation of the Restated Consolidated Financial Information under the requirements of the Schedule III of the Companies Act, 2013.
6. a) As indicated in our auditors report on consolidated financial statements as at and for the years ended March 31, 2015, 2014 and 2013 and referred to in para 5 above, the consolidated financial statements for those years included the following amounts relating to subsidiaries, whose financial statements were audited by other auditors, which have been relied upon by us and our opinions, in so far as it relates to the amounts related to the such subsidiaries as at and for each of the years ended March 31, 2015, 2014 and 2013, included in these Restated Consolidated Summary Statements, are based solely on the reports of the other auditors.

(Amount in Rs. million)

Years	Asset	Revenue from Operation	Cash inflow (Outflow)
March 31, 2015	20.51	39.96	1.59
March 31, 2014	227.12	321.66	(3.33)
March 31, 2013	151.92	175.73	(4.93)

- b) As indicated by S R B C & CO in their auditors' reports on consolidated financial statements as at and for the years ended March 31, 2012 and 2011 and referred to in para 5 above, the consolidated financial statements for those years included the following amounts relating to subsidiaries, whose financial statements were audited by other auditors, which have been relied upon by us and our opinions, in so far as it relates to the amounts related to such subsidiaries as at and for each of the years ended March 31, 2012 and 2011, included in these Restated Consolidated Summary Statements, are based solely on the reports of the other auditors.

(Amount in Rs. million)

Years	Asset	Revenue from Operation	Cash inflow (Outflow)
March 31, 2012	76.03	129.05	2.68
March 31, 2011	128.67	128.10	4.50

7. In accordance with the requirements of sub-clause (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Chapter III of the Act, read with rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the Regulations and terms of our engagement agreed with you, we report that, read with paragraph 4, 5 and 6 above, we have examined the Restated Consolidated Financial Information as at and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 as set out in Annexures I to III.
8. Based on our examination and the reliance placed on the reports of the auditors as referred to in paragraph 4, 5 and 6 above we further report that :

- a) The restated consolidated profits have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in Annexure IV (Part A) and Annexure IV (Part C) to this report;
- b) There are no changes in accounting policies adopted by the Group as at and for the years ended March 31, 2015, 2014, 2012 and 2011. The impact arising on account of change in accounting policy adopted by the Group as at and for the year ended March 31, 2013 is applied with retrospective effect in the restated consolidated financial information;
- c) Adjustments for the material amounts in the respective financial years to which they relate have been adjusted in the attached restated consolidated financial information;
- d) There are no extraordinary items which need to be disclosed separately in the restated consolidated financial information;
- e) There are no qualifications in the auditors' reports, which require any adjustments to the Restated Consolidated Summary Statements;
- f) Emphasis of Matters reported in the consolidated financial statements for the year ended March 31, 2012 and March 31, 2011 which do not require any adjustment to the Restated consolidated financial information, are as follows:

- (i) For the year ended March 31, 2012 (Refer note A of Annexure IV (Part B))

Without qualifying our report, we draw attention to Note 30 (a) of the consolidated financial statements. The group has recognised and is carrying forward goodwill of Rs. 8.93 million in respect of Medex Healthcare Private Limited, a wholly owned subsidiary of the Company. Based on the financial statements of this subsidiary, the net worth is substantially lower than the group's investment in this Company. No provision for impairment was made against the above in view of strategic long-term investment of the group in this subsidiary, its future profitable projections and / or the fair value of this Company as at 31 March 2012.

- (ii) For the year ended March 31, 2011 (Refer note A of Annexure IV (PartB))

Without qualifying our report, we draw attention to Note 31 (a) of the consolidated financial statements. The group has recognised and is carrying forward goodwill of Rs. 8.93 million in respect of Medex Healthcare Private Limited, a wholly owned subsidiary of the Company. Based on the financial statements of this subsidiary, the net worth is substantially lower than the group's investment in this Company. No provision for impairment was made against the above in view of strategic long-term investment of the group in this subsidiary, its future profitable projections and / or the fair value of this Company as at 31 March 2011.

- g) Other audit qualifications included in the annexure to the audit report issued in terms of the requirements of the Companies (Auditor's Report) Order, 2015 ("the Order") on the consolidated financial statements for the years ended March 31, 2015 which do not require any corrective adjustment in the restated consolidated financial information, are as follows

- i. Clause (vi) (a)

The Holding Company and other covered entities of the Group are generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it though there has been a slight delay in a few cases. According to the explanations given to us, investor education and protection fund, and excise duty are not applicable to the Holding Company and the covered entities of the Group.

- ii. Clause (vi) (c)

According to the records of the Holding Company and the covered entities of the Group, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Nature of Statute	Nature of Dues	Amount (Rs. in million)	Period to which the Amount relate	Forum where dispute is pending
Income Tax	Income Tax	0.20	F.Y 2006-07	Office of Income Tax

Act, 1961				Officer
Income Tax Act, 1961	Short payment of TDS and Interest thereon	0.00	F.Y 2012-13	TDS central Processing Centre

- 10) We have not audited or reviewed any financial statements of the Group as of any date or for any period subsequent to March 31, 2015. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Group as of any date or for any period subsequent to March 31, 2015.

Other Financial Information:

- 11) At the Company's request, we have also examined the following restated consolidated financial information proposed to be included in the offer document prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Group as at and for each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011:

- i. Restated Consolidated Statement of Share Capital, enclosed as Annexure VI
- ii. Restated Consolidated Statement of Reserves and Surplus, enclosed as Annexure VII
- iii. Restated Consolidated Statement of Minority Interest, enclosed as Annexure VIII
- iv. Restated Consolidated Statement of Long Term Borrowings, enclosed as Annexure IX
- v. Restated Consolidated Statement of Deferred Tax Liabilities (net), enclosed as Annexure X
- vi. Restated Consolidated Statement of Trade Payables and Other Liabilities, enclosed as Annexure XI
- vii. Restated Consolidated Statement of Provisions, enclosed as Annexure XII
- viii. Restated Consolidated Statement of Short Term Borrowings, enclosed as Annexure XIII
- ix. Restated Consolidated Statement of Tangible Fixed Assets, enclosed as Annexure XIV
- x. Restated Consolidated Statement of Intangible Fixed Assets, enclosed as Annexure XV
- xi. Restated Consolidated Statement of Expenditure During Construction Period, enclosed as Annexure XV A
- xii. Restated Consolidated Statement of Deferred Tax Assets (Net), enclosed as Annexure XVI
- xiii. Restated Consolidated Statement of Loans and Advances (Long Term And Short Term), enclosed as Annexure XVII
- xiv. Restated Consolidated Statement of Other Assets, enclosed as Annexure XVIII
- xv. Restated Consolidated Statement of Current Investments, enclosed as Annexure XIX
- xvi. Restated Consolidated Statement of Inventories, enclosed as Annexure XX
- xvii. Restated Consolidated Statement of Trade Receivables, enclosed as Annexure XXI
- xviii. Restated Consolidated Statement of Cash and Bank Balances, enclosed as Annexure XXII
- xix. Restated Consolidated Statement of Revenue From Operations, enclosed as Annexure XXIII
- xx. Restated Consolidated Statement of Other Income, enclosed as Annexure XXIV-A
- xxi. Restated Consolidated Statement of Interest Income, enclosed as Annexure XXIV-B
- xxii. Restated Consolidated Statement of Cost Of Reagents, Chemicals, Surgical And Laboratory Supplies Consumed, enclosed as Annexure XXV
- xxiii. Restated Consolidated Statement of Employee Benefits Expenses, enclosed as Annexure XXVI
- xxiv. Restated Consolidated Statement of Other Expenses, enclosed as Annexure XXVII
- xxv. Restated Consolidated Statement of Depreciation And Amortisation, enclosed as Annexure XXVIII
- xxvi. Restated Consolidated Statement of Finance Costs, enclosed as Annexure XXIX
- xxvii. Restated Consolidated Statement of Accounting Ratios, enclosed as Annexure XXX
- xxviii. Capitalisation Statement, as appearing in Annexure XXXI
- xxix. Restated Consolidated Statement of Dividend Declared, enclosed as Annexure XXXII

- 12) In our opinion, the financial information as disclosed in the Annexures to this report, read with the respective significant accounting policies and notes disclosed in Annexure V, Annexure XXXIII, Annexure XXXIV, Annexure XXXV, Annexure XXXVI, and Annexure XXXVII, and after making adjustments and regroupings as considered appropriate and disclosed in Annexures IV (Part A) and Annexure IV (Part C), have been prepared in accordance with the relevant provisions of the Act and the Regulations.
- 13) We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
- 14) The report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as an opinion on any of the financial statements referred to herein.
- 15) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 16) This report is intended solely for your information and for inclusion in the offer document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.: 301003E

per Anil Gupta
Partner
Membership No.: 87921

Place: Gurgaon
Date: August 28, 2015

ANNEXURE I: RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Amounts in Rs. million)

Particulars	Annexure	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
(1) Equity & Liabilities						
Shareholders' Funds						
(a) Share capital	VI	812.62	803.10	50.20	50.19	50.57
(b) Reserves & surplus	VII	2,598.20	1,511.79	1,570.34	1,109.49	877.85
(2) Minority Interest	VIII	22.97	18.44	16.19	11.05	6.52
(3) Non Current Liabilities						
(a) Long term borrowings	IX	-	-	-	-	41.31
(b) Deferred tax liabilities (net)	X	-	0.21	1.69	2.04	2.71
(c) Trade payables	XI	84.25	64.76	53.20	31.90	15.99
(d) Other long term liabilities	XI	115.45	140.75	107.12	63.64	50.53
(e) Long term provisions	XII	2.06	2.61	0.54	15.52	12.23
(4) Current Liabilities						
(a) Short term borrowings	XIII	-	8.67	3.73	0.13	141.72
(b) Trade payables	XI	341.50	328.40	314.38	227.10	169.45
(c) Other current liabilities	XI	585.87	504.37	423.62	71.07	212.19
(d) Short term provisions	XII	190.18	132.12	149.19	188.34	115.46
Total		4,753.10	3,515.22	2,690.20	1,770.47	1,696.53
Assets						
(5) Non Current Assets						
(a) Goodwill (on consolidation)		415.75	415.75	279.29	182.47	182.47
(b) Fixed Assets						
- Tangible fixed assets	XIV	905.58	770.84	753.17	707.03	707.31
- Intangible fixed assets	XV	179.47	211.73	233.08	193.37	233.47
- Capital work in progress		9.46	1.66	5.22	3.95	0.32
- Intangible assets under development		-	-	-	58.25	-
(c) Non current investments		-	-	-	-	-
(d) Deferred tax assets (net)	XVI	254.00	196.26	128.84	28.71	23.17
(e) Long term loans and advances	XVII	139.96	188.10	85.77	151.84	84.01
(f) Other non current assets	XVIII	32.65	27.62	37.38	25.27	26.39
(6) Current Assets						
(a) Current Investments	XIX	379.17	85.87	547.73	47.71	10.10
(b) Inventories	XX	142.78	116.59	86.26	62.28	77.54
(c) Trade receivables	XXI	309.60	251.56	197.87	143.28	96.85
(d) Cash and bank balances	XXII	1,481.85	1,056.65	214.61	134.42	224.57
(e) Short term loans and advances	XVII	456.63	158.69	117.27	28.03	24.41
(f) Other current assets	XVIII	46.20	33.90	3.71	3.86	5.92
Total		4,753.10	3,515.22	2,690.20	1,770.47	1,696.53

Notes:

- 1) Significant accounting policies are given in Annexure V.
- 2) In addition to annexures referred above, certain other notes are given in Annexure VI to Annexure XXXVII.
- 3) Summary of results of adjustments made in the audited financial statements of the respective years and its impact on restated summary statement of profit and loss and restated summary of assets and liabilities are given in Annexure IV (part-A).
- 4) The reconciliation between the audited surplus in statement of profit and loss and restated surplus in statement of profit and loss as at 1 April 2010 is given in note 2 of Annexure IV (Part A).

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.: 301003E

For and on behalf of the Board of Directors of
Dr. Lal PathLabs Limited
CIN No. U74899DL1995PLC065388

per Anil Gupta
 Partner
 Membership No. 87921

(Hony.) Brig. Dr. Arvind Lal
 [Chairman and Managing Director]

Dr. Om Prakash Manchanda
 [Director]

Place: Gurgaon
 Date: August 28, 2015

Mr. Dilip Bidani
 [Chief Financial Officer]

Mr. Rajat Kalra
 [Company Secretary]

ANNEXURE II: RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSSES

(Amounts in Rs. million)

Particulars	Annexure	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Income						
Revenue from operations	XXIII	6,595.90	5,579.47	4,516.61	3,422.07	2,372.67
Other income	XXIV-A	29.34	22.42	28.16	8.23	7.67
Total revenue (A)		6,625.24	5,601.89	4,544.77	3,430.30	2,380.34
Expenses						
Cost of reagents, chemicals, surgicals and laboratory supplies consumed	XXV	1,391.58	1,176.60	972.99	761.66	608.68
Employee benefit expenses	XXVI	1,343.89	1,015.70	937.95	537.74	377.86
Other expenses	XXVII	2,300.90	2,001.64	1,629.12	1,257.55	819.78
Total expenses (B)		5,036.37	4,193.94	3,540.06	2,556.95	1,806.32
Earnings before interest, tax, depreciation and amortization (EBITDA) (A) – (B)		1,588.87	1,407.95	1,004.71	873.35	574.02
Depreciation and amortisation expense	XXVIII	281.90	272.29	203.98	198.34	136.03
Interest Income	XXIV-B	(94.06)	(58.38)	(5.67)	(14.52)	(17.15)
Finance costs	XXIX	4.05	1.98	4.39	25.31	7.83
Restated profit before tax		1,396.98	1,192.06	802.01	664.22	447.31
Tax expenses						
Current tax		504.95	459.70	347.71	218.75	146.51
Deferred tax charge / (credit)		(57.94)	(70.27)	(102.17)	(6.20)	5.34
Total tax expense		447.01	389.43	245.54	212.55	151.85
Restated profit after tax for the year		949.97	802.63	556.47	451.67	295.46
Profit attributable to:						
- Owners of the Parent		942.44	795.87	551.32	447.14	291.20
- Shares of Minority interest in profits		7.53	6.76	5.15	4.53	4.26
		949.97	802.63	556.47	451.67	295.46

Notes:

- 1) Significant accounting policies are given in Annexure V.
- 2) In addition to annexures referred above, certain other notes are given in Annexure VI to Annexure XXXVII.
- 3) Summary of results of adjustments made in the audited financial statements of the respective years and its impact on restated summary statement of profit and loss and restated summary of assets and liabilities are given in Annexure IV (part-A).
- 4) The reconciliation between the audited surplus in statement of profit and loss and restated surplus in statement of profit and loss as at 1 April 2010 is given in note 2 of Annexure IV (Part A).

For S.R. Batliboi & Co. LLP
Chartered Accountants
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per Anil Gupta
 Partner
 Membership No. 87921

(Hony.) Brig. Dr. Arvind Lal
 [Chairman and Managing Director]

Dr. Om Prakash Manchanda
 [Director]

Place: Gurgaon
 Date: August 28, 2015

Mr. Dilip Bidani
 [Chief Financial Officer]

Mr. Rajat Kalra
 [Company Secretary]

ANNEXURE III: RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
A. Cash flow from operating activities					
Net profit before tax	1,396.98	1,192.06	802.01	664.22	447.31
Adjustments to reconcile profit before tax to net cash flows					
Depreciation / amortisation	281.90	272.29	203.98	198.34	136.03
Loss on sale/ disposal of fixed assets (net)	0.69	5.39	2.75	1.05	0.88
Loss on sale of current investments (net)	-	5.67	-	-	-
Bad debts / advances written off	1.29	3.03	3.13	4.50	3.97
Provision for doubtful debts and advances	24.49	16.74	6.02	2.22	3.45
Unspent Liability/ Miscellaneous balances written back	(0.03)	(2.57)	(0.57)	(0.62)	(0.22)
Dividend received (from current investments - other than trade)	(21.91)	(14.10)	(22.23)	(0.67)	(0.71)
Income from long term investments in mutual funds (other than trade)	(1.61)	-	-	(0.05)	(0.70)
Employee Stock Options compensation	242.19	155.46	249.65	6.43	-
Bad debts recovered	-	(0.87)	-	-	-
Interest expense	4.05	1.98	4.39	25.31	7.83
Interest income	(94.06)	(58.38)	(5.67)	(14.52)	(17.15)
Operating profit before working capital changes	1,833.98	1,576.70	1,243.46	886.21	580.69
Movements in working capital:					
(Increase) in trade receivables	(83.65)	(67.68)	(62.81)	(51.92)	(24.96)
(Increase) / decrease in inventories	(26.18)	(29.16)	(23.52)	16.26	(13.35)
(Increase) in loans and advances	(285.59)	(50.27)	(30.74)	(65.14)	18.10
(Increase) in other current assets	(4.36)	(3.47)	(3.50)	(3.52)	(2.79)
(Increase) / decrease in trade payables, current liabilities and provisions	78.60	56.10	92.46	103.96	24.79
Cash generated from operations	1,512.80	1,482.22	1,215.35	885.85	582.48
Direct taxes paid (net of refunds)	(534.30)	(502.64)	(334.04)	(204.57)	(164.61)
Net cash flow from operating activities	978.50	979.58	881.31	681.28	417.87
B. Cash flow from investing activities					
Purchase of fixed assets	(352.93)	(327.63)	(196.20)	(211.26)	(240.74)
Proceeds from sale of fixed assets	3.79	4.83	1.21	2.12	0.78
Purchase of investments in units of mutual funds	(845.37)	(733.85)	(1,164.86)	(237.67)	(262.58)
Sale of investments in units of mutual funds	552.07	1,190.03	664.83	190.06	311.65
Sale of non-current investments	-	-	-	11.12	-
Payment for purchase of investments in Subsidiary Company	(7.50)	(232.01)	-	(38.93)	(91.17)
Payment for purchase of business on slump sale basis	-	-	(4.25)	(124.25)	(105.00)
Dividend received (from current investments - other than trade)	21.91	14.10	22.23	0.67	0.71
Interest received	83.38	28.96	6.37	15.51	27.11
Fixed Deposits placed with the banks	(1,340.23)	(849.76)	(60.75)	(88.84)	(279.43)
Fixed Deposits with banks encashed	989.54	8.44	81.07	218.92	452.78
Net cash (used in) investing activities	(895.34)	(896.89)	(650.35)	(262.55)	(185.89)
C. Cash flow from financing activities					
Proceeds from issuance of equity share capital	105.38	-	0.13	-	-
Equity shares bought back during the year	-	-	-	(65.96)	(240.00)
Proceeds of long-term borrowings	-	-	-	70.00	50.00
(Repayment) of long-term borrowings	-	(4.87)	-	(124.69)	(0.11)
(Repayment) Proceeds of short term borrowings	(8.67)	4.87	3.50	(141.72)	126.81
Interest paid	(0.50)	(5.33)	(1.67)	(24.53)	(8.81)
Dividend Paid including dividend tax	(104.17)	(96.63)	(149.91)	(96.54)	(149.42)
Net cash (used in) financing activities	(7.96)	(101.96)	(147.95)	(383.44)	(221.53)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	75.20	(19.27)	83.01	35.29	10.45
Cash and cash equivalents acquired pursuant to purchase of business	-	3.96	10.18	-	1.55
Cash and cash equivalents at the beginning of the year	157.64	172.95	79.76	44.47	32.47
Cash and cash equivalents at the end of the year	232.84	157.64	172.95	79.76	44.47

Components of cash and cash equivalents					
Cash on hand	9.80	7.46	11.70	5.74	4.60
Balance with scheduled banks:					
-on current accounts	141.66	110.58	75.14	46.16	39.66
-on overdraft accounts	-	-	-	-	0.21
-on cash credit accounts	81.38	39.60	66.11	23.86	-
-Deposits with original maturity of less than three months	-	-	20.00	4.00	-
Cash & Cash Equivalents in Cash Flow Statement:	232.84	157.64	172.95	79.76	44.47

Notes:

1. Previous years' figures have been regrouped, where necessary to conform to current year's classification.
2. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard- 3 on Cash Flow Statements as referred in the Companies Act 2013.
3. Significant accounting policies are given in annexure V.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.: 301003E

For and on behalf of the Board of Directors of
Dr. Lal PathLabs Limited
CIN No. U74899DL1995PLC065388

per Anil Gupta
Partner
Membership No. 87921

(Hony.) Brig. Dr. Arvind Lal
[Chairman and Managing Director]

Dr. Om Prakash Manchanda
[Director]

Place: Gurgaon
Date: August 28, 2015

Mr. Dilip Bidani
[Chief Financial Officer]

Mr. Rajat Kalra
[Company Secretary]

ANNEXURE IV (PART A): NOTES ON MATERIAL ADJUSTMENTS

- 1 Below mentioned is the summary of results of adjustments made in the audited financial statements of the respective years and its impact on restated summary of consolidated statement of profit and loss and restated summary of consolidated statement of assets and liabilities.

(Amounts in Rs. million)					
Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Profit after tax (as per audited financial statements) *	956.83	630.90	709.77	454.05	289.85
Restatement adjustments :					
Unspent Liability/ Miscellaneous balances written back (Refer Note 1)	(0.20)	(2.00)	-	(0.71)	(13.00)
Reversal of finance expense (Refer Note 2)	-	0.20	0.08	0.82	1.10
Tax adjustments for Earlier Years (Refer Note 3A)	(25.60)	15.80	(0.28)	0.07	12.27
Deferred tax adjustments for earlier years (Refer Note 3B)	11.41	(9.22)	-	(2.19)	-
Prior period items (Refer Note 4)	-	255.87	(249.44)	(6.43)	-
Reversal of provision for impairment of goodwill (Refer note 5)	-	(8.71)	-	-	-
Depreciation / amortization (Refer Note 6)	-	-	9.48	(1.32)	(2.26)
Total Adjustments - add / (less)	(14.39)	251.94	(240.16)	(9.76)	(1.89)
Tax Rate	33.99%	33.99%	32.45%	32.45%	33.22%
Current tax impact (Refer Note 7A)	-	-	-	(0.23)	(0.97)
Deferred Tax Impact (Refer Note 7B)	-	86.97	(81.71)	(2.62)	(2.27)
Restated profit after tax*	942.44	795.87	551.32	447.14	291.20

* Attributable to Owners of the Parent

Notes:

- During the years ended 31 March 2015, 31 March 2014 and 31 March 2011, the Group reversed certain liabilities which were considered as no longer payable and recognized as "Other income". Since, these were relating to earlier years, the reversal has now been reflected in respective years in which the liability was created.
- Reversal of finance expense reflects reversal of excess provision for interest on income tax of Rs. 2.2 million in respective years in which the liability was created.
- A) (i) During the year ended 31 March 2015, parent Company merged certain subsidiaries pursuant to Scheme of Amalgamation with effect from 1 April 2013. Hence, the resulting impact of amalgamation on current tax has been restated in the respective year for which the amount relates to.

A) (ii) Consequent to completion of income tax assessment for certain years, the Company paid additional taxes / received refunds which were recorded in the year of completion of such assessments. As these were relating to earlier years, the same has been accounted for in the financial year for which the amount relates to.

B) (i) During the year ended 31 March 2015, parent Company merged certain subsidiaries pursuant to Scheme of Amalgamation with effect from 1 April 2013. Hence, the resulting impact of amalgamation on deferred tax has been restated in the respective year for which the amount relates to.

B) (ii) During the year ended 31 March, 2015, the Company has reversed deferred tax asset relating to year ended 31 March 2014 and 31 March, 2012. Accordingly, the adjustment has been reflected in the relevant years.
- The Employee Stock Option Plan, 2010 ("the ESOP Plan") provides for an exit route to the employees till Parent Company's shares are listed on a recognised stock exchange, whereby the employees may offer to sell the shares to Dr. Lal PathLabs Private Limited Welfare Trust ("the Trust") at the fair value as on the date of application or as provided in the ESOP Plan. During the year ended 31 March 2014, the Parent Company had reassessed the ESOP Scheme as cash settled basis as against equity settled basis treated in the financial statements of earlier years. As a result of this, the Parent Company had during the year ended 31 March 2014 accounted for additional compensation cost of Rs. 411.33 million, which includes Rs. 255.87 million for earlier years. As the compensation cost related to earlier years, the adjustment has been reflected in the financial statement of the respective years to which the cost pertained to.
- During the year ended 31 March 2014, provision for impairment of goodwill in respect of Sanya Chemicals Limited was reversed based on the profits earned during the year ended 31 March 2014 and future profitability projections. Since, it pertains to earlier years, the reversal has now been reflected in respective years in which the provision was created.
- On 1 April, 2012 two subsidiary companies had changed (with retrospective effect) their method of providing depreciation on Tangible fixed assets (except furniture and fixtures) from Straight Line (SLM) method at the rate prescribed in Schedule XIV to the Companies Act, 1956 to Written Down Value ('WDV') method at the rate prescribed in Schedule XIV to the Companies Act, 1956. The impact on depreciation expense relating to assets due to change in method from SLM to WDV, has been adjusted in respective years.
- A. Represents tax adjustment relating to adjustment described in 1 relating to year ended 31 March, 2011.
B. Represents tax adjustment relating to adjustments described in 1, 4 and 6 above.

2 Reconciliation between the audited surplus in statement of profit and loss and restated surplus in statement of profit and loss as at 1 April 2010, is given below:

Particulars	(Amounts in Rs. million)
Profit and loss appropriation account as at 1 April 2010 as per audited financials	323.76
Adjustments:	
Unspent Liability/ Miscellaneous balances written back	13.71
Taxes adjustments for Earlier Years	(2.26)
Current tax liability	(1.20)
Deferred Tax	0.37
Reversal of provision for impairment of goodwill	8.71
Depreciation	(5.90)
Profit and loss appropriation account as at 1 April 2010, as restated	337.19

ANNEXURE IV (PART B): NON ADJUSTING ITEMS

- A. Emphasis of Matter in the auditor's report on the consolidated financial statements of the Group for the year ended March 31, 2012 and 2011 which do not require any quantitative adjustment in the restated consolidated summary, statements are as follows:
- (i) The audit reports for years ended 31 March, 2012 and 31 March 2011 included emphasis of matter in respect recognition and carrying forward of goodwill in respect of Medex Healthcare Private Limited, a wholly owned subsidiary of the Company. Based on the financial statements of this subsidiary, the net worth is substantially lower than the group's investment in this Company. No provision for impairment was made against the above in view of strategic long-term investment of the group in this subsidiary, its future profitable projections and / or the fair value of this Company as at 31 March 2012 / 31 March 2011.
- B. Qualification in the Annexure to the Auditor's report on the financial statements of the Company for the year ended 31 March, 2015 which do not require any quantitative adjustment in the restated summary statements is as follows:
- (i) The annexure to the audit report for the year ended March, 31 2015 included a qualification in respect of slight delay in deposit of certain undisputed statutory dues and disputed income tax dues outstanding of Rs. 0.20 million.

ANNEXURE IV (PART C): MATERIAL REGROUPING

W.e.f April 1, 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Schedule III of the Companies Act, 2013 does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements for the year ended March 31, 2011. Accordingly, the Company has reclassified the figures for the previous year ended 31 March 2011 in accordance with the requirements applicable for the year ended 31 March 2015.

Appropriate adjustments have been made in the Restated Summary Statements of assets and liabilities, profit and losses and cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flow in order to bring them in line with the audited financials of the Company as at and for the year ended 31 March 2015, prepared in accordance with Schedule III of the Companies Act, 2013 and the requirements of the Securities and Exchange board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended). Further numbers have been rounded off nearest to Rs in millions for all period presented.

ANNEXURE V – SIGNIFICANT ACCOUNTING POLICIES

1. Nature of operation

Dr. Lal Pathlabs Private Limited ('DLPL' or 'the Company') was incorporated on February 14, 1995 and is headquartered in New Delhi. The Company was converted into a public company with effect from 19/08/2015. DLPL together with the subsidiaries is hereinafter referred to as "the Group". The Group is engaged in the business of running laboratories for carrying out pathological investigations of various branches of Bio-chemistry, Hematology, Histopathology, Microbiology, Electrophoresis, Immuno-chemistry, Immunology, Virology, Cytology, other pathological and radiological investigations.

2. Basis of preparation of restated financial statements

- a) The Restated Consolidated Summary Statement of Assets and Liabilities of the group as at March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 and the related Restated Consolidated Summary Statement of Profits and Losses and Cash Flows Statement for the year ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 (herein collectively referred to as ('Restated Consolidated Summary Statements')) have been compiled by the management from the audited consolidated financial statements of the Company for the year ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011.
- b) The Consolidated Financial Statements of the Group for year ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) at the relevant time. The Company has prepared these consolidated Financial Statements to comply in all material respects with the accounting standards notified under the Companies Act, 1956 (the "Act") and (as per Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India. The Consolidated Financial Statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year other than those disclosed under point 6 of Annexure IV (Part A).
- c) The Restated Consolidated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with its proposed Initial Public Offering.
- d) The consolidated financial statements of the Company for year ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 have been prepared using the historical audited general purpose financial statements of the Company for the years ended March 31, 2015, March 31, 2014, 2013, 2012 and 2011 respectively which were prepared under Indian GAAP and originally approved by the board of directors of the Company at that relevant time.
- e) These Restated Consolidated Summary Statements of assets and liabilities, profit and losses and cash flows have been prepared to comply in all material respects with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter II of the Companies Act, 2013 read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI on August 26, 2009 as amended from time to time.

3. Principles of consolidation

The Consolidated Summary Statements of the Group have been prepared on the following basis:

In the preparation of these Consolidated Summary Statements, investments in Subsidiaries have been accounted for in accordance with AS 21(Accounting for Consolidated Financial Statements) notified under Section 133 of the Companies Act, 2013 read together with paragraph of Companies (Accounting) Rules, 2014. The Consolidated Financial Statements have been prepared on the following basis-

- i) Subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses.
- ii) The difference of the cost to the Parent Company of its investment in Subsidiaries over its proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.
- iii) Minorities' interest in net profit of consolidated subsidiaries for the year has been identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Parent Company. Their share of net assets has been identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same have been accounted for by the holding company.
- iv) As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Parent Company's standalone financial statements. Differences in accounting policies have been disclosed separately.
- v) The financial statements of the group entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company i.e. year ended March 31, 2015.

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4. Summary of significant accounting policies

(I) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(II) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(III) Depreciation on tangible fixed assets

Leasehold Improvements are depreciated over the useful lives of the assets or the unexpired lease period, whichever, is lower. Based on the same, leasehold improvements are being depreciated over the period of 4-10 years.

Leasehold land at Kolkata is being depreciated over the lease period of 99 years.

Depreciation on second hand plant and machinery has been provided over their balance useful life of 5-6 years and on second hand computers (excluding server and networks has been provided over their balance useful life of 3 years on WDV basis as estimated by the management.

Depreciation on Furniture and Fixtures is provided using the Straight Line Method at the rate of 20% based on technical estimate of useful life.

Depreciation on Furniture and Fixtures is provided using the Straight Line Method at the rate of 20% based on technical estimate of useful life. However, during the year ended 31 March 2014, two of the entities acquired through the scheme of amalgamation, provided depreciation on Furniture and Fixtures using the Written Down Value Method at the rates prescribed under Schedule XIV of the Companies Act, 1956, (0.06% of total Net Block of tangible fixed assets as at March 31, 2014 and 0.05 % of total depreciation charge for the year ended March 31, 2014).

Depreciation on all other fixed assets is provided using the Written Down Value (WDV) Method at the rates computed based on the useful lives of the assets estimated by the management. The Company has considered following rates to provide depreciation on its fixed assets:

Tangible Assets	Rates as per management's estimate of Useful Life from April 1, 2013 onwards (WDV)	Rates as per management's estimate of useful life for the period from April 1, 2010 to March 31, 2013[WDV]	Rates as per Useful Life given under Schedule II (WDV)	Rates as per Useful Life given under Schedule XIV (WDV)
Buildings	10.00	10.00	10.00	10.00
Plant & Machinery				
- Plant and Machinery used in medical and surgical operations	20.58	20.00	20.58	20.00
- Other Equipment	18.10	13.91	18.10	13.91
- Electrical Installations and Equipment	25.89	13.91	25.89	13.91
Office Equipment	45.07	13.91	45.07	13.91
Computers				
- Servers and networks	40.00	40.00	40.00	40.00
- End user devices, such as desktops, laptops, etc.	63.16	40.00	63.16	40.00
Vehicles				
- Motor cars	31.23	25.89	31.23	25.89
- Motor cycles, scooters and other mopeds	25.89	25.89	25.89	25.89

(IV) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired at purchase of business is recorded at their fair value as at the date of purchase of business. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Computer software is being amortized using the straight line method over its useful life, not exceeding five years.

Goodwill and Trademarks are amortized using the straight line method over a period of five years starting from the date of acquisition of respective laboratory.

(V) Goodwill On Consolidation

Goodwill represents the difference between the DLPL Group's share in the net worth of the investee company and the cost of acquisition at each point of time of making the investment. For this purpose, the DLPL Group's share of net worth of the investee company is determined on the basis of the latest financial statements of that company available at the date of acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

(VI) Leases

Where the Company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(VII) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(VIII) Impairment of tangible and intangible assets

The DLPL Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the DLPL Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining the net selling price, recent market transactions are taken into account, if available, if no such transactions can be identified, an appropriate valuation model is used.

(IX) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grants or subsidy received from the government relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

(X) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(XI) Inventories

Inventories comprise of reagents, chemicals, surgical and laboratory supplies and stores and others are valued at lower of cost and net realizable value. Cost is determined on moving weighted average basis.

(XII) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the DLPL Group and the revenue can be reliably measured. The following specific recognition criteria is also met before revenue is recognized:

Laboratory Income

Revenue comprises of amount billed (net of discounts) in respect of tests conducted and is recognized as and when the samples are registered for the purpose of conducting the tests which usually take not more than 48 hours.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is shown separately in the statement of profit and loss.

Income from units in Mutual Funds

Dividend from units in mutual funds is recognised when the right to receive payment is established by the balance sheet date. Income on investment made in the units of fixed maturity plans of mutual funds is recognised based on the yield earned and to the extent of reasonable certainty.

(XIII) Foreign currency translation

Foreign currency transactions and balances

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting DLPL Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(XIV) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The DLPL Group has no obligation, other than the contribution payable to the provident fund. The DLPL Group recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The DLPL Group operates defined benefit plans for its employees, viz., gratuity liability. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for plan using the projected unit credit method. Actuarial gains and losses for defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The DLPL Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The DLPL Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The DLPL Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

(XV) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961 enacted in India. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company (within the DLPL Group) has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date, the company (within the DLPL Group) re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company (within the DLPL Group) writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the company (within the DLPL Group) will pay normal income tax during the specified period. In the year in which the Minimum Alternate Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT Credit Entitlement. The company (within the DLPL Group) reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company (within the DLPL Group) will pay normal income tax during the specified period.

(XVI) Employee stock compensation cost

Measurement and disclosure of the employee share based payment plans are done in accordance with the Guidance Note on Accounting for Employee Share-based payments, issued by the Institute of Chartered Accountants of India. The Parent Company measures compensation cost relating to employee stock options using the fair value method. Compensation expense, if any, is amortised over the vesting period of the option on a straight line basis.

(XVII) Expenditure on New Projects

Expenditure directly relating to construction activity is capitalized. Indirect Expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is specifically attributable to construction project. Other expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

(XVIII) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(XIX) Provisions

A provision is recognized when the DLPL Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(XX) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the DLPL Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The DLPL Group does not recognize a contingent liability but discloses its existence in the financial statements.

(XXI) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(XXII) Segment reporting policy

The DLPL Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(XXIII) Measurement of EBITDA

As permitted by the *Guidance Note on the Revised Schedule VI to the Companies Act, 1956*, the DLPL Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The DLPL Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group does not include depreciation and amortization expense, reversal of provision for impairment of goodwill, finance costs, interest income and tax expense.

ANNEXURE VI: RESTATED CONSOLIDATED STATEMENT OF SHARE CAPITAL

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Authorised shares					
Equity shares of Rs.	10	100	100	100	100
Total Authorised Equity shares (No.)	55,000,000	5,500,000	500,000	500,000	500,000
a) Total Authorised Equity shares (Rs. in million)	550.00	550.00	50.00	50.00	50.00
0.01% convertible, participating preference shares of Rs.	10	100	100	100	100
Total Authorised 0.01% convertible, participating preference shares (No.)	27,500,000	2,750,000	250,000	250,000	250,000
b) Total Authorised 0.01% convertible, participating preference shares (Rs. in million)	275.00	275.00	25.00	25.00	25.00
Total authorised share capital (a+b)	825.00	825.00	75.00	75.00	75.00
Issued, subscribed & fully paid-up shares					
Equity shares of Rs.	10	100	100	100	100
Equity shares (No.)	54,629,520	5,367,840	335,490	335,448	339,170
a) Total subscribed & fully paid-up equity share capital (Rs. in million)	546.30	536.78	33.55	33.54	33.92
0.01% convertible, participating preference shares of Rs.	10	100	100	100	100
0.01% convertible, participating preference shares (No.)	26,632,320	2,663,232	166,452	166,452	166,452
b) Total subscribed & fully paid-up 0.01% convertible, participating preference shares (Rs. in million)	266.32	266.32	16.65	16.65	16.65
Total subscribed & fully paid-up share capital (a + b)	812.62	803.10	50.20	50.19	50.57

Foot notes:

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Equity shares	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
At the beginning of the year (@ Rs. 100 per share)	5,367,840	335,490	335,448	339,170	352,713
Issued during the year (@ Rs. 100 per share)	78,176	-	42	-	-
Issued during the year - Bonus Issue	-	5,032,350	-	-	-
Buy Back during the year	-	-	-	(3,722)	(13,543)
Increase pursuant to sub division of share of Rs. 100 each into 10 shares of Rs. 10 each	49,014,144	-	-	-	-
Issued during the year (@ Rs. 10 per share)	169,360	-	-	-	-
Outstanding at the end of the year	54,629,520	5,367,840	335,490	335,448	339,170
Preference shares	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
At the beginning of the year	2,663,232	166,452	166,452	166,452	166,452*
Issued during the year - Bonus Issue	-	2,496,780	-	-	-
Increase pursuant to sub division of share of Rs. 100 each into 10 shares of Rs. 10 each	23,969,088	-	-	-	-
Outstanding at the end of the year	26,632,320	2,663,232	166,452	166,452	166,452

* Includes 125,373 optionally convertible, redeemable participating preference shares which got converted into convertible, participating preference shares on 20 August, 2010.

(b) Terms/ rights attached to equity shares

- The Company has only one class of equity shares having par value of Rs. 10 per share, Previous year (Rs. 100 per share). Equity Shares of Rs.100 each were subdivided into 10 shares of Rs. 10 each on 27 March, 2015. Each holder of equity shares is entitled to one vote per equity share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(c) Terms/ rights attached to convertible, participating preference shares

- The Company has only one class of CCPS fully participating with equity having par value of Rs. 10 per share, Previous year (Rs.100 per share). Preference Shares of Rs.100 each were subdivided into 10 shares of Rs. 10 each on March 27, 2015. Each holder of preference shares is entitled to one vote per share.

- The preference shares fully participate with the equity shares in all dividends declared by the Parent Company.

- The convertible, participating preference shares are convertible into equity shares at the option of the investors, at any time prior to mandatory conversion for any reason. Further, unless the preference shares have been voluntarily converted into equity shares as aforesaid, these shall be mandatorily converted into equity shares upon closing of the Initial Public Offer by the Company or at the end of the maximum period prescribed by law for redemption of preference shares, whichever is earlier.

(d) Amount of per share interim / final dividend recognized as distribution to equity and preference shareholders

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Equity share holder	1.53	10.64	154.28	257.00	164.28
Preference shareholder	1.53	10.64	154.28	257.00	164.29

(e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date (including current year):

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Equity shares of Rs. 100 each bought back by the Company	17,265	17,265	22,098	18,376	27,223
Bonus equity Shares of Rs. 100 each issued by the Company	5,032,350	5,032,350	-	-	-
Bonus preference Shares of Rs. 100 each issued by the Company	2,496,780	2,496,780	-	-	-
Equity shares of Rs. 100 each issued during the period of five years immediately preceding the reporting date on exercise of options granted under the ESOP plan 2005	23,848	23,848	23,806	23,806	23,806

(f) Detail of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Names	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
<i>Equity shares of Rs. 10/- each, (previous years Rs. 100 each) fully paid</i>					
- Dr Arvind Lal, Chairman cum Managing Director	28,234,880	2,823,488	176,468	176,468	176,468
- Dr Vandana Lal, Director	17,988,640	1,798,864	112,429	112,429	112,429
<i>Convertible, participating preference shares of Rs. 10/- each, (previous years Rs. 100 each) fully paid</i>					
- Wagner Limited	15,979,520	1,597,952	99,872	83,226	83,226
- West Bridge Crossover Fund, LLC	9,601,760	960,176	58,257	83,226	83,226
- Westbridge Ventures I Investment Holdings	-	-	8,323	-	-
Names	% holding in the class	% holding in the class	% holding in the class	% holding in the class	% holding in the class
<i>Equity shares of Rs. 10/- each, (previous years Rs. 100 each) fully paid</i>					
- Dr Arvind Lal, Chairman cum Managing Director	51.68%	52.60%	52.60%	52.61%	52.03%
- Dr Vandana Lal, Director	32.93%	33.51%	33.51%	33.52%	33.15%
<i>Convertible, participating preference shares of Rs. 10/- each, (previous years Rs. 100 each) fully paid</i>					
- Wagner Limited	60.00%	60.00%	60.00%	50.00%	50.00%
- West Bridge Crossover Fund, LLC	36.05%	36.05%	35.00%	50.00%	50.00%
- Westbridge Ventures I Investment Holdings	-	-	5%	-	-

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(g) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer annexure XXXVI.

ANNEXURE VII: RESTATED CONSOLIDATED STATEMENT OF RESERVE AND SURPLUS

(Amounts in Rs. million)

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Securities premium account					
Balance at the beginning of the year	-	113.31	113.19	179.15	419.14
Add: (a) Addition on ESOP's exercised *	295.15	-	0.12	-	-
(b) Addition on Shares issued	-	-	-	-	-
Less: (a) Amounts utilized towards issue of fully paid bonus shares	-	(113.31)	-	-	-
(b) Utilization on payment of consideration over nominal value of equity shares bought back (Refer note 9 of Annexure XXXVII)	-	-	-	(65.59)	(238.64)
(c) Nominal value of equity shares bought back (Refer note 9 of Annexure XXXVII)	-	-	-	(0.37)	(1.35)
Balance at the end of the year	295.15	-	113.31	113.19	179.15
Shares Buy Back Reserve Account					
Balance at the beginning of the year	4.45	4.45	4.45	4.08	2.72
Add : Transferred from Securities Premium Account	-	-	-	0.37	1.35
Balance at the end of the year	4.45	4.45	4.45	4.45	4.07
General reserve					
Balance at the beginning of the year	83.97	335.13	269.88	227.78	162.78
Amount transferred from surplus	116.70	83.97	65.25	42.10	65.00
Amounts utilized towards issue of fully paid bonus shares	-	(335.13)	-	-	-
Balance at the end of the year	200.67	83.97	335.13	269.88	227.78
Surplus in the statement of profit and loss					
Balance at the beginning of the year	1,423.36	1,117.46	721.98	466.84	337.19
Add: Profit for the year	942.44	795.87	551.32	447.14	291.20
Less: Proposed Interim dividend on equity shares	(83.78)	(57.13)	(51.76)	(86.21)	(55.72)
Less: Tax on proposed interim equity dividend**	(18.22)	(11.23)	(8.80)	(13.99)	(9.04)
Less: Equity dividend for earlier year	-	(0.01)	-	-	-
Less: Tax on Equity dividend for earlier year	-	(0.00)	-	-	-
Less: Proposed Interim dividend on preference shares	(40.85)	(28.34)	(25.68)	(42.77)	(27.34)
Less: Tax on proposed interim preference dividend	(8.32)	(4.82)	(4.36)	(6.94)	(4.44)
Less: Final dividend on preference shares	-	-	-	-	(0.00)
Less: Tax on final preference dividend	-	-	-	-	(0.00)
Less: Transfer to general reserve	(116.70)	(83.97)	(65.25)	(42.10)	(65.00)
Less: Amounts utilized towards issue of fully paid bonus shares	-	(304.46)	-	-	-
Balance at the end of the year	2,097.93	1,423.37	1,117.45	721.97	466.85
Total reserves and surplus	2,598.20	1,511.79	1,570.34	1,109.49	877.85

* Including Rs. 199.27 million being difference between fair value of shares and exercise price of options, routed through liability towards Employee Stock Options Compensation Outstanding

** Including tax of Rs. 1.17 million (Previous year Rs. 1.53 million) as dividend paid by subsidiary Company.

ANNEXURE VIII: RESTATED CONSOLIDATED STATEMENT OF MINORITY INTEREST

(Amounts in Rs. million)

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Paliwal Diagnostics Private Limited					
% Share of Minority	30%	30%	30%	30%	30%
Share in Equity	0.05	0.05	0.05	0.05	0.05
Share in the Reserves	17.95	15.54	14.48	9.82	5.78
	18.00	15.59	14.53	9.87	5.83
Paliwal Medicare Private Limited					
% Share of Minority	30%	30%	30%	30%	30%
Share in Equity	0.03	0.03	0.03	0.03	0.03
Share in the Reserves	4.94	2.82	1.63	1.15	0.66
	4.97	2.85	1.66	1.18	0.69
Total	22.97	18.44	16.19	11.05	6.52

ANNEXURE IX: RESTATED CONSOLIDATED STATEMENT OF LONG TERM BORROWINGS

Particulars	(Amounts in Rs. million)									
	As at		As at		As at		As at		As at	
	31 March 2015		31 March 2014		31 March 2013		31 March 2012		31 March 2011	
	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities	Non-current portion	Current maturities
Term loans										
Indian rupee loan from banks	-	-	-	-	-	0.07	-	-	39.89	12.50
Finance Lease obligations	-	-	-	-	-	-	-	-	1.42	0.89
	-	-	-	-	-	0.07	-	-	41.31	13.39
The above amount includes										
Secured borrowings	-	-	-	-	-	0.07	-	-	41.31	13.39
Unsecured borrowings	-	-	-	-	-	-	-	-	-	-
Amount disclosed under the head "other current liabilities" (refer annexure XI)	-	-	-	-	-	(0.07)	-	-	-	(13.39)
Net amount	-	-	-	-	-	-	-	-	41.31	-

1. Indian rupee loan from HDFC Bank amounting to Rs. Nil during the year ended 31 March 2012 (31 March 2011: Rs. 50 million) carried weighted average rate of interest of 12.61% during the year ended 31 March 2012 (31 March 2011 : 11.70%). This loan was repayable in 48 monthly instalments of Rs. 1.04 million each beginning from 1 April 2011. The loan together with interest and other charges was secured by way of first and exclusive charge on all movable assets of the Parent Company and second charge on all the stock and book debts both present and future of the Parent Company. The loan was completely repaid during the year ended March 31, 2012.

2. Indian rupee loan from State Bank of Bikaner and Jaipur amounting to Rs. Nil during the year ended 31 March 2012 (31 March 2011: Rs. 2.39 million) carried weighted average rate of interest of 13.00% during the year ended 31 March 2012 (31 March 2011 : 13.00%). This loan was repayable in 65 monthly instalments of Rs. 0.06 million with last instalment of Rs. 0.06 million, each beginning from 30 April 2010. The loan together with interest and other charges was secured by way of first and exclusive charge on the machinery acquired out of proceeds of loan amount and charge over stock both present and future of a subsidiary company and collaterally secured by hypothecation of current assets and charge over personal asset and personal guarantee of the erstwhile directors of the subsidiary company. The loan was completely repaid during the year ended March 31, 2012.

3. Term Loan from GE Capital Services India amounting to Rs. Nil during the year ended 31 March 2012 (31 March 2011: Rs. 2.29 million) carried rate of interest of 11.85% during the year ended 31 March 2012 (31 March 2011 : 11.85%). The loan together with interest and other charges was secured by hypothecation of medical equipment purchased out of proceeds of loan amount. This loan was repayable in 42 monthly instalments of Rs. 0.09 million each beginning from 2 March 2010.

4. Motor cycle loan from Muthoot Capital Services Ltd. amounting to Rs. Nil during the year ended 31 March 2012 (31 March 2011: Rs. 0.02 million) carried interest rate @ of 8.10% p.a. was secured by hypothecation of vehicle purchased out of proceeds of loan amount. This loan was repayable in 36 equated monthly instalments having monthly instalments of Rs. 1,479 each beginning from the date of loan viz, 18 August 2010.

5. Indian rupee loan from HDFC Bank amounting to Rs. 0.07 million during the year ended 31 March 2013 (31 March 2012 Rs. Nil), carried rate of interest of 14% during the year ended 31 March 2013 (31 March 2012: Nil). This loan was repayable in 48 monthly instalments of Rs. 0.07 million each beginning from May 1, 2009. The loan together with interest and other charges was secured by way of first and exclusive charge on the machinery acquired out of proceeds of loan amount by a subsidiary company.

ANNEXURE X: RESTATED CONSOLIDATED STATEMENT OF DEFERRED TAX LIABILITIES (NET)

(Amounts in Rs. million)

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Deferred tax liabilities					
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	0.21	1.69	2.27	2.75
Effect of income credited to statement of profit and loss in the current / earlier years but chargeable to tax in the following years	-	-	-	-	0.05
Gross deferred tax liabilities	-	0.21	1.69	2.27	2.80
Deferred tax assets					
Effect of expenditure debited to statement of profit and loss in the current / earlier years but allowable for tax purposes in the following years	-	-	-	0.23	0.09
Gross deferred tax assets	-	-	-	0.23	0.09
Net deferred tax liabilities	-	0.21	1.69	2.04	2.71

ANNEXURE XI: RESTATED CONSOLIDATED STATEMENT OF TRADE PAYABLES AND OTHER LIABILITIES

(Amounts in Rs. million)

Particulars	As at 31 March 2015		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Trade payables (refer note 7 of Annexure XXXVIII for details of dues to micro and small enterprises)	84.25	341.50	64.76	328.40	53.20	314.38	31.90	227.10	15.99	169.45
	84.25	341.50	64.76	328.40	53.20	314.38	31.90	227.10	15.99	169.45
Other liabilities										
Current maturities of long term borrowings (refer annexure IX)	-	-	-	-	-	0.07	-	-	-	13.39
Creditors against purchase of Business	-	10.50	-	-	-	-	-	4.25	-	105.00
Creditors against purchase of Investment	-	30.00	37.50	-	-	120.30	-	-	-	38.93
Interest Payable	-	3.76	-	-	-	-	-	-	-	-
Others:										
Interest Accrued but not due	-	-	-	-	-	-	-	-	-	0.42
Book overdraft from Banks	-	-	-	7.36	-	8.48	-	4.03	-	12.93
Trade deposits	112.55	0.25	93.72	0.10	74.71	0.23	62.01	0.05	50.53	-
Employee Stock Options compensation (refer Annexure XXXVI)	2.90	451.56	9.53	402.01	32.41	223.67	1.63	4.80	-	-
Payable towards capital goods	-	22.27	-	47.84	-	33.53	-	19.83	-	23.50
Advances from customers	-	19.27	-	15.30	-	10.66	-	12.35	-	3.07
Service Tax Payable	-	-	-	-	-	0.67	-	0.44	-	-
TDS payable	-	41.62	-	26.29	-	21.68	-	19.51	-	11.82
Provident Fund Payable	-	5.64	-	4.63	-	3.62	-	2.78	-	2.65
ESI Payable	-	0.72	-	0.72	-	0.56	-	2.53	-	0.14
Other Statutory payables	-	0.28	-	0.12	-	0.15	-	0.50	-	0.34
	115.45	585.87	140.75	504.37	107.12	423.62	63.64	71.07	50.53	212.19
Total	199.70	927.37	205.51	832.77	160.32	738.00	95.54	298.17	66.52	381.64

ANNEXURE XII: RESTATED CONSOLIDATED STATEMENT OF PROVISIONS

(Amounts in Rs. million)

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
<u>Long-term provisions</u>					
Provision for employee benefits					
- Provision for gratuity (refer Annexure XXXV)	2.06	1.54	0.53	15.51	12.23
Other provisions					
- Provision for taxation	-	1.06	-	-	-
- Provision for interest on taxation	-	0.01	0.01	0.01	-
	2.06	2.61	0.54	15.52	12.23
<u>Short-term provisions</u>					
Provision for employee benefits					
- Provision for gratuity (refer note XXXV)	10.38	5.23	2.76	4.56	2.61
- Provision for leave encashment	29.55	21.51	15.49	12.07	9.60
Other provisions					
- Provision for taxation	0.24	5.38	37.14	21.31	6.70
- Provision for interest on taxation	-	-	3.20	0.48	-
- Proposed interim equity dividend	83.78	57.13	51.76	86.21	55.72
- Provision for tax on proposed interim equity dividend	17.06	9.71	8.80	13.99	9.04
- Proposed interim preference dividend	40.85	28.34	25.68	42.78	27.34
- Provision for tax on proposed interim preference dividend	8.32	4.82	4.36	6.94	4.44
- Provision for final dividend on Preference Shares	-	-	-	-	0.01
- Provision for tax on final dividend on Preference Shares	-	-	-	-	0.00
	190.18	132.12	149.19	188.34	115.46

ANNEXURE XIII: RESTATED CONSOLIDATED STATEMENT OF SHORT TERM BORROWINGS

(Amounts in Rs. million)

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Overdraft facilities from Banks (secured)	-	8.57	3.63	0.13	141.72
Interest free loan from director of an erstwhile subsidiary (repayable on demand) (unsecured)	-	0.10	0.10	-	-
	-	8.67	3.73	0.13	141.72

The above amount includes:

Secured borrowings	-	8.67	3.73	0.13	141.72
Unsecured borrowings	-	0.10	0.10	-	-

Overdraft facilities from bank amounting to Rs. 8.57 million during the year ended 31 March 2014 (31 March 2013: Rs. 3.63 million, 31 March 2012: Rs. 0.13 million and 31 March 2011: Rs. 141.72 million), carry average rate of interest of 9.50% during the year ended 31 March 2014 (31 March 2013: 9.50%, 31 March 2012: 9.50% and 31 March 2011: 11%) and together with interest and other charges are secured by fixed deposit receipts of Rs. 14.60 million during the year ended 31 March 2014 (31 March 2013: Rs. 0.60 million, 31 March 2012 Rs. 0.53 million and 31 March 2011 Rs. 171.31 million) in case of a subsidiary company. The overdraft is repayable on demand.

ANNEXURE XIV: RESTATED CONSOLIDATED STATEMENT OF TANGIBLE FIXED ASSETS

(Amounts in Rs. million)

Tangible assets	Leasehold Land	Leasehold Improvements	Buildings	Plant & machinery	Furniture & fixtures	Computers	Vehicles	Total
Gross block								
At 1 April 2010	65.29	122.96	-	292.92	40.87	64.89	19.81	606.74
Transfer on Acquisition of Subsidiary	-	-	-	17.46	3.25	1.03	0.03	21.77
Additions	-	31.25	228.57	191.08	18.63	37.27	0.25	507.05
Disposals	-	4.36	-	5.65	0.04	1.40	-	11.45
At 31 March 2011	65.29	149.85	228.57	495.81	62.71	101.79	20.09	1,124.11
At 1 April 2011	65.29	149.85	228.57	495.81	62.71	101.79	20.09	1,124.11
Additions	-	26.77	-	87.02	4.70	13.82	0.38	132.69
Disposals	-	3.38	-	7.05	0.11	0.95	4.52	16.01
At 31 March 2012	65.29	173.24	228.57	575.78	67.30	114.66	15.95	1,240.79
At 1 April 2012	65.29	173.24	228.57	575.78	67.30	114.66	15.95	1,240.79
Transfer on Acquisition of Subsidiary	-	2.02	2.33	59.24	1.20	2.21	1.06	68.06
Additions	-	44.87	-	85.52	5.85	27.51	5.70	169.45
Disposals	-	3.70	-	10.68	0.46	1.97	0.58	17.39
At 31 March 2013	65.29	216.43	230.90	709.86	73.89	142.41	22.13	1,460.91
At 1 April 2013	65.29	216.43	230.90	709.86	73.89	142.41	22.13	1,460.91
Transfer on Acquisition of Subsidiary Companies	-	0.34	1.61	27.02	1.60	0.54	0.19	31.30
Additions	-	34.57	1.97	135.63	4.78	21.89	7.31	206.15
Disposals	-	3.84	-	16.51	0.05	0.31	2.89	23.60
At 31 March 2014	65.29	247.50	234.48	856.00	80.22	164.53	26.74	1,674.76
At 1 April 2014	65.29	247.50	234.48	856.00	80.22	164.53	26.74	1,674.76
Additions	80.89	65.27	-	143.72	16.33	29.02	0.40	335.63
Disposals	-	11.08	-	7.75	3.42	0.14	2.20	24.59
At 31 March 2015	146.18	301.69	234.48	991.97	93.13	193.41	24.94	1,985.80
Depreciation								
At 1 April 2010	-	66.97	-	164.34	33.54	47.86	6.32	319.03
Transfer on Acquisition of Subsidiary	-	-	-	1.47	0.24	0.16	0.00	1.87
Additions	-	16.81	17.14	44.01	7.07	17.16	3.50	105.69
Disposals	-	4.36	-	4.01	0.03	1.39	-	9.79
At 31 March 2011	-	79.42	17.14	205.81	40.82	63.79	9.82	416.80
At 1 April 2011	-	79.42	17.14	205.81	40.82	63.79	9.82	416.80
Additions	-	18.65	21.14	62.12	7.43	17.36	2.61	129.31
Disposals	-	2.34	-	5.21	0.10	0.92	3.78	12.35
At 31 March 2012	-	95.73	38.28	262.72	48.15	80.23	8.65	533.76

(Amounts in Rs. million)

Tangible assets	Leasehold Land	Leasehold Improvements	Buildings	Plant & machinery	Furniture & fixtures	Computers	Vehicles	Total
At 1 April 2012	-	95.73	38.28	262.72	48.15	80.23	8.65	533.76
Transfer on Acquisition of Subsidiary	-	1.64	1.22	45.52	0.87	1.96	0.83	52.04
Additions	-	19.39	19.03	64.85	10.90	17.87	3.16	135.20
Disposals	-	2.67	-	7.82	0.36	1.90	0.51	13.26
At 31 March 2013	-	114.09	58.53	365.27	59.56	98.16	12.13	707.74
At 1 April 2013	-	114.09	58.53	365.27	59.56	98.16	12.13	707.74
Transfer on Acquisition of Subsidiary Companies	-	0.13	0.29	9.85	0.57	0.37	0.19	11.40
Additions	-	24.11	17.78	115.12	7.61	29.76	3.65	198.03
Disposals	-	1.39	-	9.20	0.02	0.33	2.31	13.25
At 31 March 2014	-	136.94	76.60	481.04	67.72	127.96	13.66	903.92
At 1 April 2014	-	136.94	76.60	481.04	67.72	127.96	13.66	903.92
Additions	0.19	27.68	15.79	113.52	9.69	25.33	4.21	196.41
Disposals	-	10.17	-	4.51	3.37	0.13	1.93	20.11
At 31 March 2015	0.19	154.45	92.39	590.05	74.04	153.16	15.94	1,080.22
Net block								
As at 31 March 2010	65.29	55.99	-	128.58	7.33	17.03	13.49	287.71
As at 31 March 2011	65.29	70.43	211.43	290.00	21.89	38.00	10.27	707.31
As at 31 March 2012	65.29	77.51	190.29	313.06	19.15	34.43	7.30	707.03
As at 31 March 2013	65.29	102.34	172.37	344.59	14.33	44.25	10.00	753.17
As at 31 March 2014	65.29	110.56	157.88	374.96	12.50	36.57	13.08	770.84
As at 31 March 2015	145.99	147.24	142.09	401.92	19.09	40.25	9.00	905.58

Notes:

- Apart from Fixed assets above, the Parent Company has laboratory machineries provided by suppliers free of cost against commitment of reagent purchases by the Company from the suppliers.
- No depreciation on leasehold land at Rohini, New Delhi of the cost of Rs. 65.29 million has been provided, lease being perpetual in nature.
- During the year, the DLPL group has reassessed the useful life of certain fixed assets to align with the useful life policy followed by the Parent Company (refer note 10 of Annexure XXXVII).
- Deductions to Fixed Assets include Nil for the year ended March 31, 2015 (31 March 2014; Rs. 0.12 million; 31 March 2013; Rs. 0.19 million; 31 March 2012; Rs. 0.52 million and 31 March 2011; Nil) being credit on settlement of Liabilities related to assets capitalised in previous years.
- During the previous year, the Company had changed the useful life of certain fixed assets (Refer note 10 of Annexure XXXVII).

ANNEXURE XV: RESTATED CONSOLIDATED STATEMENT OF INTANGIBLE FIXED ASSETS

(Amounts in Rs. million)

Intangible assets	Software	Goodwill	Trade Mark	Total
Gross block				
At 1 April 2010	72.55	11.46	-	84.01
Transfer on Acquisition of Subsidiary	0.61	-	-	0.61
Additions	18.83	24.71	174.50	218.04
Disposals	-	-	-	-
At 31 March 2011	91.99	36.17	174.50	302.66
At 1 April 2011	91.99	36.17	174.50	302.66
Additions	19.93	9.00	-	28.93
Disposals	-	-	-	-
At 31 March 2012	111.92	45.17	174.50	331.59
At 1 April 2012	111.92	45.17	174.50	331.59
Transfer on Acquisition of Subsidiary	0.07	-	-	0.07
Additions	108.44	-	-	108.44
Disposals	-	-	-	-
At 31 March 2013	220.43	45.17	174.50	440.10
At 1 April 2013	220.43	45.17	174.50	440.10
Transfer on Acquisition of Subsidiary Companies	0.74	-	-	0.74
Additions	52.56	-	-	52.56
Disposals	-	-	-	-
At 31 March 2014	273.73	45.17	174.50	493.40
At 1 April 2014	273.73	45.17	174.50	493.40
Additions	23.64	14.31	15.28	53.23
Disposals	-	-	-	-
At 31 March 2015	297.37	59.48	189.78	546.63
Depreciation				
At 1 April 2010	28.44	10.28	-	38.72
Transfer on Acquisition of Subsidiary	0.13	-	-	0.13
Additions	15.58	2.58	12.18	30.34
Disposals	-	-	-	-
At 31 March 2011	44.15	12.86	12.18	69.19
At 1 April 2011	44.15	12.86	12.18	69.19
Additions	27.59	6.54	34.90	69.03
Disposals	-	-	-	-
At 31 March 2012	71.74	19.40	47.08	138.22
At 1 April 2012	71.74	19.40	47.08	138.22
Transfer on Acquisition of Subsidiary	0.02	-	-	0.02
Additions	26.74	7.14	34.90	68.78
Disposals	-	-	-	-
At 31 March 2013	98.50	26.54	81.98	207.02
At 1 April 2013	98.50	26.54	81.98	207.02
Transfer on Acquisition of Subsidiary Companies	0.39	-	-	0.39
Additions	32.62	6.74	34.90	74.26
Disposals	-	-	-	-
At 31 March 2014	131.51	33.28	116.88	281.67
At 1 April 2014	131.51	33.28	116.88	281.67
Additions	41.53	8.00	35.96	85.49
Disposals	-	-	-	-
At 31 March 2015	173.04	41.28	152.84	367.16
Net block				
As at 31 March 2010	44.11	1.18	-	45.29
As at 31 March 2011	47.84	23.31	162.32	233.47
As at 31 March 2012	40.18	25.77	127.42	193.37
As at 31 March 2013	121.93	18.63	92.52	233.08
As at 31 March 2014	142.22	11.89	57.62	211.73
As at 31 March 2015	124.33	18.20	36.94	179.47

ANNEXURE XV A: RESTATED CONSOLIDATED STATEMENT OF EXPENDITURE DURING CONSTRUCTION PERIOD

Particulars	(Amounts in Rs. million)				
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Salaries, bonus and allowances	-	-	-	-	0.69
Contribution to provident and other funds	-	-	-	-	0.03
Staff welfare expenses	-	-	-	-	-
Electricity and water charges	-	-	-	-	1.80
Rent	-	-	-	-	0.41
Insurance	-	-	-	-	0.03
Travelling and conveyance	-	-	-	-	0.07
Communication costs	-	-	-	-	0.09
Printing and stationery	-	-	-	-	0.02
Computer expenses	-	-	-	-	-
Legal and professional charges	-	-	-	-	4.55
Repair and maintenance-others	-	-	-	-	0.08
Miscellaneous expenses	-	-	-	-	0.79
Total	-	-	-	-	8.56
Add: Amount brought forward from previous year	-	-	-	-	4.71
Total	-	-	-	-	13.27
Less: Allocated to buildings during the year	-	-	-	-	(13.27)
	-	-	-	-	-

ANNEXURE XVI: RESTATED CONSOLIDATED STATEMENT OF DEFERRED TAX ASSETS (NET)

(Amounts in Rs. million)

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Deferred tax liabilities					
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	-	-	-	0.61
Effect of income credited to statement of profit and loss in the current / earlier years but chargeable to tax in the following years	10.11	7.91	6.72	5.28	4.14
Gross deferred tax liabilities	10.11	7.91	6.72	5.28	4.75
Deferred tax assets					
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	35.44	18.73	8.39	7.93	2.73
Effect of expenditure debited to statement of profit and loss in the current / earlier years but allowable for tax purposes in the following years	213.39	175.83	121.32	21.24	18.69
Provision for doubtful debts and advances	15.28	9.61	5.85	4.82	6.50
Gross deferred tax assets	264.11	204.17	135.56	33.99	27.92
Deferred tax assets (Net)	254.00	196.26	128.84	28.71	23.17

ANNEXURE XVII: RESTATED CONSOLIDATED STATEMENT OF LOANS AND ADVANCES

(Amounts in Rs. million)

Particulars	As at 31 March 2015		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Capital advances										
Unsecured, considered good	28.92	-	87.72	-	6.52	-	17.35	-	10.25	-
	28.92	-	87.72	-	6.52	-	17.35	-	10.25	-
Deposits										
Unsecured, considered good										
- to related parties (Refer Annexure XXXIV)	1.39	-	1.39	-	1.39	-	1.39	-	1.39	-
- to others	105.24	7.51	92.30	10.13	72.47	3.42	60.86	3.72	43.55	5.23
Doubtful	-	1.07	-	1.07	-	-	-	-	-	0.11
	106.63	8.58	93.69	11.20	73.86	3.42	62.25	3.72	44.94	5.34
Less: Provision for doubtful deposits		(1.07)		(1.07)						(0.11)
	106.63	7.51	93.69	10.13	73.86	3.42	62.25	3.72	44.94	5.23
Loan and advances to related parties (Refer Annexure XXXIV)										
Secured, considered good (secured by way of pledge of shares)	-	-	-	-	-	-	3.39	-	12.86	-
Unsecured, considered good	-	-	-	-	-	3.60	-	0.01	-	-
	-	-	-	-	-	3.60	3.39	0.01	12.86	-
Advances recoverable in cash or in kind or for value to be received										
Unsecured, considered good	0.73	37.80	0.23	6.10	0.54	6.34	0.37	8.19	0.22	6.39
Doubtful	-	3.46	-	3.29	-	4.79	-	4.11	-	2.77
	0.73	41.26	0.23	9.39	0.54	11.13	0.37	12.30	0.22	9.16
Provision for doubtful advances	-	(3.46)	-	(3.29)	-	(4.79)	-	(4.11)	-	(2.77)
	0.73	37.80	0.23	6.10	0.54	6.34	0.37	8.19	0.22	6.39
Others loans & advances										
Secured, considered good										
Loan to employees (secured by way of pledge of shares)	-	-	-	-	0.78	-	3.85	-	13.41	-
Unsecured, considered good										
Loan to employees	0.73	0.65	0.90	0.62	-	0.11	-	0.31	-	0.11
Advance tax/tax deducted at source/income tax refundable (Net of income tax provision)	-	36.32	3.15	10.02	1.48	0.67	0.22	0.54	0.06	0.27
Loan given to a Party	2.10	-	2.10	0.76	2.37	0.88	0.81	1.00	1.35	0.63
Prepaid expenses	0.85	28.46	0.31	25.72	0.22	20.81	0.46	14.15	0.92	11.36
MAT Credit entitlement	-	-	-	-	-	-	-	0.11	-	0.11
Advance to Dr. Lal Pathlabs Private Limited - Employees Welfare Trust	-	344.42	-	105.26	-	81.44	63.14	-	-	-
Balances with statutory/ government authorities	-	1.47	-	0.08	-	-	-	-	-	0.31
	3.68	411.32	6.46	142.46	4.85	103.91	68.48	16.11	15.74	12.79
Total	139.96	456.63	188.10	158.69	85.77	117.27	151.84	28.03	84.01	24.41

Loans and advances due by directors or other officers, etc.

(Amounts in Rs. million)

Particulars	As at 31 March 2015		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Loans to Employees include										
Due from a director of the Company	-	-	-	-	-	-	3.39	0.01	12.86	-
Due from a officer of the Company	-	-	-	-	-	-	0.84	-	2.85	-
Loans and advances to related parties include										
Security deposits to Dr. Umesh Paliwal (Key Management Personnel of the LPL Group)	0.75	-	0.75	-	0.75	-	0.75	-	0.75	-
Security deposit to Eskay House HUF	0.64	-	0.64	-	0.64	-	0.64	-	0.64	-
Advance to Dr. Umesh Paliwal (Key Management Personnel of the LPL Group)	-	-	-	-	-	0.46	-	-	-	-
Advance to Medicave Medical Systems Private Limited	-	-	-	-	-	3.14	-	-	-	-

Amounts due from promoters / promoter group companies/ directors/ relatives of directors

(Amounts in Rs. million)

Particulars	As at 31 March 2015		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Dr. Om Prakash Manchanda	-	-	-	-	-	-	3.39	-	12.86	-
Dr. Vandana Lal	-	-	-	-	-	-	0.01	-	-	-
Eskay House HUF	0.64	-	0.64	-	0.64	-	0.64	-	0.64	-

List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' 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.

ANNEXURE XVIII: RESTATED CONSOLIDATED STATEMENT OF OTHER ASSETS

(Amounts in Rs. million)

Particulars	As at 31 March 2015		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Unsecured, considered good unless stated otherwise										
Non-current bank balances (refer annexure XXII)	4.83	-	4.13	-	16.74	-	8.74	-	13.38	-
Non-current bank balances	4.83	-	4.13	-	16.74	-	8.74	-	13.38	-
Others										
Surrender Value of Keyman Insurance Policy	27.61	-	23.26	-	19.79	-	16.28	-	12.76	-
Interest accrued on fixed deposits and others	0.21	44.59	0.23	33.90	0.85	3.71	0.25	3.86	0.25	4.85
Income accrued on long term investments (other than trade)	-	1.61	-	-	-	-	-	-	-	1.07
	27.82	46.20	23.49	33.90	20.64	3.71	16.53	3.86	13.01	5.92
Total	32.65	46.20	27.62	33.90	37.38	3.71	25.27	3.86	26.39	5.92

ANNEXURE XIX: RESTATED CONSOLIDATED STATEMENT OF CURRENT INVESTMENTS

(Amounts in Rs. million)

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Current portion of long-term investments (valued at cost)					
<i>Unquoted mutual funds</i>					
31 March 2015: 2,000,000 units of Rs. 10/- each fully paid-up of Reliance Fixed Horizon Fund - XXVI - Series 20 - Direct Growth Plan	20.00	-	-	-	-
31 March 2011: 1,000,000 units of Rs.10 each fully paid up of TATA FMP Series 25 Scheme B Super High Investment Plan Growth	-	-	-	-	10.00
Current investments (valued at lower of cost and fair value, unless stated otherwise)					
<i>Unquoted mutual funds</i>					
31 March 2015: 8,822,943.87 units of Rs. 10/- each fully paid-up of HDFC Liquid Fund - Direct Plan - Dividend - Daily Reinvest	89.98	-	-	-	-
31 March 2015: 87,318.79 (31 March 2012: 9,995.44) units of Rs. 1000/- each fully paid-up of SBI Premier Liquid Fund - Direct Plan - Daily Dividend	87.60	-	-	10.03	-
31 March 2015: 31,206.55 (31 March 2014: 10,055.03 and 31 March 2012: 22,536.27) units of Rs. 1,000/- each fully paid-up of UTI -Treasury Advantage Fund-Institutional Plan-Direct Plan-Daily Dividend Reinvestment	31.28	10.08	-	22.54	-
31 March 2015: 53,952.00 (31 March 2014: 29,751.38) units of Rs. 1,000/- each fully paid-up of UTI - Liquid Cash Plan-Institutional-Direct Plan-Daily Dividend Reinvestment	55.00	30.33	-	-	-
31 March 2015: 57,339.45 (31 March 2014: 13,246.66 and 31 March 2013: 83,024.48) units of Rs. 1,000/- each fully paid-up of Reliance Liquid Fund-Treasury Plan-Direct Plan Daily Dividend Option	87.66	20.27	126.92	-	-
31 March 2015 7642.334 units of Rs. 1,000/- each fully paid-up of Baroda Pioneer Liquid Fund - Plan B Daily Dividend - Re-investment Baroda Pioneer Liquid fund	7.65	-	-	-	-
31 March 2014: 2,415,183.40 units of Rs. 10/- each fully paid-up of JM High Liquidity Fund-(Direct)-Daily Dividend Option (449)	-	25.19	-	-	-
31 March 2013: 149,993.11 units of Rs. 1,000/- each fully paid-up of UTI Floating Rate fund-STP-Regular Plan-Direct Plan (Daily Dividend Reinvestment)	-	-	161.52	-	-
31 March 2013: 19,641,117.44 units of Rs. 10/- each fully paid-up of IDFC Money Manager Fund-Investment Plan-Weekly Dividend-Regular Plan	-	-	200.76	-	-
31 March 2013: 20,556.02 units of Rs. 1,000/- each fully paid-up of Reliance money manager fund-daily dividend plan-dividend reinvestment	-	-	20.58	-	-
31 March 2013: 2,256.179 units of Rs. 1,000/- each fully paid-up of Reliance money manager fund (Growth Plan Growth Option-LPIG)	-	-	3.50	-	-
31 March 2013: 34,306.579 units of Rs. 1,000/- each fully paid-up of Baroda Pioneer Liquid fund Plan A-daily dividend reinvestment	-	-	34.35	-	-
31 March 2012: 15,036.01 units of Rs. 1,000/- each fully paid-up of Axis Liquid Fund - Retail Daily Dividend Reinvestment	-	-	-	15.04	-
31 March 2013: 59,046 units of Rs. 10/- each fully paid-up of HDFC Top 200 Fund (Growth)	-	-	0.01	0.01	0.01

31 March 2013: 127.660 units of Rs. 10/- each fully paid-up of ICICI Prudential Discover Fund (Growth)	-	-	0.01	0.01	0.01
31 March 2013: 76.535 units of Rs. 10/- each fully paid-up of Reliance Banking Fund (Growth)	-	-	0.01	0.01	0.01
31 March 2013: 122.313 units of Rs. 10/- each fully paid-up of Reliance Diversified Power Sector (Growth)	-	-	0.01	0.01	0.01
31 March 2013: 175.853 units of Rs. 10/- each fully paid-up of Reliance Equity Opportunities Fund (Growth)	-	-	0.01	0.01	0.01
31 March 2013: 199.633 units of Rs. 10/- each fully paid-up of Reliance Media & Entertainment Fund (Growth)	-	-	0.01	0.01	0.01
31 March 2013: 402.102 units of Rs. 10/- each fully paid-up of Sundaram Finance Serv. Opportunities (Growth)	-	-	0.01	0.01	0.01
31 March 2013: 42.131 units of Rs. 10/- each fully paid-up of Sundaram Select Midcap Fund (Growth)	-	-	0.01	0.01	0.01
31 March 2013: 188.013 units of Rs. 10/- each fully paid-up of Tata Dividend Yield Fund (Growth)	-	-	0.01	0.01	0.01
31 March 2013: 190.532 units of Rs. 10/- each fully paid-up of Tata Infrastructure Fund (Growth)	-	-	0.01	0.01	0.01
	379.17	85.87	547.73	47.71	10.10
Aggregate amount of unquoted investments (Rs. in million)	379.17	85.87	547.73	47.71	10.10
Net Assets Value (Rs. in million)	380.78	85.87	547.84	47.68	11.07

ANNEXURE XX: RESTATED CONSOLIDATED STATEMENT OF INVENTORIES

(Amounts in Rs. million)

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Reagents, chemicals, surgicals and laboratory supplies*	126.10	104.79	72.57	54.81	72.99
Stores and others	16.68	11.80	13.69	7.47	4.55
	142.78	116.59	86.26	62.28	77.54

* including goods in transit (Rs. in million)	1.83	-	0.87	3.15	1.09
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ANNEXURE XXI: RESTATED CONSOLIDATED STATEMENT OF TRADE RECEIVABLES

(Amounts in Rs. million)

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Considered good unless stated otherwise					
Outstanding for a period exceeding six months from the date they are due for payment					
Secured, considered good	1.80	0.65	2.17	0.29	-
Unsecured, considered good	0.51	2.23	2.84	1.95	2.46
Unsecured, considered doubtful	23.52	11.86	6.77	9.83	15.40
	25.83	14.74	11.78	12.07	17.86
Provision for doubtful receivables	(23.52)	(11.86)	(6.77)	(9.83)	(15.40)
	2.31	2.88	5.01	2.24	2.46
Other receivables					
Secured, considered good	21.85	17.23	12.23	8.98	7.47
Unsecured, considered good	285.44	231.45	180.63	132.06	86.92
Unsecured, considered doubtful	16.51	12.07	6.73	1.82	2.15
	323.80	260.75	199.59	142.86	96.54
Provision for doubtful receivables	(16.51)	(12.07)	(6.73)	(1.82)	(2.15)
	307.29	248.68	192.86	141.04	94.39
Total	309.60	251.56	197.87	143.28	96.85

ANNEXURE XXII: RESTATED CONSOLIDATED STATEMENT OF CASH AND BANK BALANCES

(Amounts in Rs. million)

Particulars	As at 31 March 2015		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Cash and cash equivalents										
<i>Balances with banks:</i>										
On current accounts	-	141.66	-	110.58	-	75.14	-	46.16	-	39.66
On overdraft accounts	-	-	-	-	-	-	-	-	-	0.21
On cash credit accounts	-	81.38	-	39.60	-	66.11	-	23.86	-	-
Deposits with original maturity of less than three months	-	-	-	-	-	20.00	-	4.00	-	-
Cash on hand	-	9.80	-	7.46	-	11.70	-	5.74	-	4.60
	-	232.84	-	157.64	-	172.95	-	79.76	-	44.47
<i>Other bank balances:</i>										
Deposits with original maturity for more than 12 months	4.83	460.09	4.13	152.42	16.74	41.17	8.74	54.39	13.38	110.42
Deposits with original maturity for more than 3 months but less than 12 months	-	788.92	-	746.59	-	0.49	-	0.27	-	69.68
	4.83	1,249.01	4.13	899.01	16.74	41.66	8.74	54.66	13.38	180.10
Amount disclosed under non-current assets (refer annexure XVIII)	(4.83)	-	(4.13)	-	(16.74)	-	(8.74)	-	(13.38)	-
	-	1,481.85	-	1,056.65	-	214.61	-	134.42	-	224.57
Deposits with original maturity for more than 12 months pledged with bank	-	1.76	-	18.15	-	12.10	-	6.12	-	105.77
Deposits with original maturity for more than 3 months but less than 12 months pledged with bank	-	10.52	-	1.39	-	0.47	-	0.27	-	69.65

Cash Credit Accounts

Cash Credit accounts (Balance appearing as debit in the books of account) are secured by first charge on the current assets of the Company, both present and future. This carries interest @ 11.75% p.a.

ANNEXURE XXIII: RESTATED CONSOLIDATED STATEMENT OF REVENUE FROM OPERATIONS

(Amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Revenue from operations					
Sale of services*	6,595.55	5,579.09	4,516.22	3,421.60	2,372.47
Scrap sales	0.35	0.38	0.39	0.47	0.20
	6,595.90	5,579.47	4,516.61	3,422.07	2,372.67

* Represents sale in respect of diagnostic services which consist of pathological / radiological investigations.

ANNEXURE XXIV-A: RESTATED CONSOLIDATED STATEMENT OF OTHER INCOME

(Amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	Recurring / Non recurring Income	Related / Not related to business
Dividend income (from current investments - other than trade)	21.91	14.10	22.23	0.67	0.71	Non Recurring	Not Related
Income from Long Term investment in the units of Fixed Maturity Plan of mutual funds (other than trade)	1.61	-	-	0.05	0.70	Non Recurring	Not Related
Surrender Value of Keyman Insurance Policy	4.36	3.47	3.50	3.52	2.79	Recurring	Related
Unspent Liability/ Miscellaneous balances written back	0.03	2.57	0.57	0.62	0.22	Non Recurring	Related
Foreign Exchange Fluctuation	0.15	-	-	-	-	Recurring	Related
Bad Debts/ Advances, written off previously, now recovered	-	0.87	0.65	-	-	Non Recurring	Related
Other non-operating income	1.28	1.41	1.21	3.37	3.25	Recurring	Related
	29.34	22.42	28.16	8.23	7.67		

Note:

The classification of income as recurring / non-recurring and related / non-related to business activity is based on the current operations and business activity of the Company as determined by the management.

ANNEXURE XXIV-B: RESTATED CONSOLIDATED STATEMENT OF INTEREST INCOME

(Amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	Recurring / Non recurring Income	Related / Not related to business
Interest income on:							
- Bank deposits	93.85	58.25	5.35	14.22	17.15	Non Recurring	Not Related
- Others	0.21	0.13	0.32	0.30	-	Non Recurring	Not Related
	94.06	58.38	5.67	14.52	17.15		

Note:

The classification of income as recurring / non-recurring and related / non-related to business activity is based on the current operations and business activity of the Company as determined by the management.

ANNEXURE XXV: RESTATED CONSOLIDATED STATEMENT OF COST OF REAGENTS, CHEMICALS, SURGICALS AND LABORATORY SUPPLIES CONSUMED

(Amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Inventory at the beginning of the year	104.79	72.57	62.28	72.99	60.84
Add: Adjustment on acquisition of stake in subsidiary / business acquired during the year	-	1.17	0.47	1.00	3.35
Add : Purchases	1,412.89	1,207.65	982.81	742.48	617.48
	1,517.68	1,281.39	1,045.56	816.47	681.67
Less : Inventory at the end of the year	126.10	104.79	72.57	54.81	72.99
Cost of reagents, chemicals, surgicals and laboratory supplies consumed	1,391.58	1,176.60	972.99	761.66	608.68

ANNEXURE XXVI: RESTATED CONSOLIDATED STATEMENT OF EMPLOYEE BENEFIT EXPENSES

(Amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Salaries, wages and bonus	1,017.27	801.60	635.18	486.26	354.10
Employee Stock Options compensation (refer annexure XXXVI)	242.19	155.46	249.65	6.43	-
Contribution to provident and other funds	40.43	33.41	26.54	21.59	14.48
Gratuity expense (refer annexure XXXV)	10.91	5.72	4.24	7.14	-
Staff training expenses	11.83	2.83	8.19	5.90	1.82
Staff welfare expenses	21.26	16.68	14.15	10.42	7.46
	1,343.89	1,015.70	937.95	537.74	377.86

ANNEXURE XXVII: RESTATED CONSOLIDATED STATEMENT OF OTHER EXPENSES

(Amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Electricity and Water charges	112.64	96.55	75.26	52.82	42.67
Rent	313.57	249.28	214.27	167.14	112.49
Rates and taxes	4.76	11.51	6.19	6.09	6.12
Insurance	19.55	15.88	13.91	10.40	11.29
Repairs and maintenance					
- Building	18.06	14.29	11.73	12.48	7.80
- Plant and Machinery	31.64	33.61	26.00	17.00	11.74
- Others	67.01	47.01	26.73	22.27	16.82
Advertisement and sales promotion	182.02	172.24	152.55	120.59	74.94
Travelling and conveyance	117.82	108.27	102.76	72.86	48.34
Vehicle running and maintenance	4.38	3.56	2.39	2.14	2.14
Postage and courier	184.09	145.96	105.10	69.14	55.22
Communication costs	42.03	38.29	29.80	27.09	24.15
Printing and stationery	92.71	73.27	59.71	37.98	26.04
Retainership fees to technical consultants	266.51	227.92	179.32	125.89	78.44
Fees to collection centers	560.94	487.32	401.34	323.48	149.27
Legal and Professional charges	84.45	100.27	81.77	78.17	76.85
Computer expenses	17.01	16.64	15.87	13.34	8.51
Laboratory test charges	11.15	9.54	11.45	14.75	11.00
Equipment rental charges	0.18	0.18	0.39	0.23	2.21
Donation other than to political parties	0.23	0.37	0.06	0.13	0.05
Foreign Exchange Fluctuation (net)	-	2.20	1.12	0.04	0.50
Loss on sale of current investments (net)	-	5.67	-	-	-
Loss on disposal / discard of fixed assets (net)	0.69	5.39	2.75	1.05	0.88
Provision for doubtful debts & advances	24.49	16.74	6.02	2.22	3.45
Bad debts / advances written off (net)	9.31	9.76	7.24	11.39	10.42
Provision for doubtful debts and advances adjusted (net)	(8.02)	(6.73)	(4.11)	(6.89)	(6.45)
	1.29	3.03	3.13	4.50	3.97
Miscellaneous expenses	143.68	116.65	99.50	75.75	44.89
	2,300.90	2,001.64	1,629.12	1,257.55	819.78
Above Miscellaneous expenses include research and development expenses	0.98	1.34	1.34	1.40	-

ANNEXURE XXVIII: RESTATED CONSOLIDATED STATEMENT OF DEPRECIATION AND AMORTISATION

(Amounts in Rs. million)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Depreciation of tangible assets	196.41	198.03	135.20	129.31	105.69
Amortisation of intangible assets	85.49	74.26	68.78	69.03	30.34
	281.90	272.29	203.98	198.34	136.03

ANNEXURE XXIX: RESTATED CONSOLIDATED STATEMENT OF FINANCE COST

(Amounts in Rs. million)

Particulars	For the year ended 31	For the year ended 31	For the year ended 31	For the year ended 31	For the year ended 31
	March 2015	March 2014	March 2013	March 2012	March 2011
Interest expense*	4.05	1.98	4.39	25.31	7.83
	4.05	1.98	4.39	25.31	7.83

* including interest on income tax (Rs. in million)	0.07	-	3.65	1.32	0.15
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ANNEXURE XXX: RESTATED CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

Particulars	(Amounts in Rs. million)				
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
A Restated Net Worth (Rs. in million)	3,410.82	2,314.89	1,620.54	1,159.68	928.42
B Restated Net profit after tax (Rs. in million)	949.97	802.63	556.47	451.67	295.46
C Dividend on convertible preference shares & tax there on (Rs. in million)	49.17	33.16	30.04	49.71	31.78
D Restated Net profit after tax for EPS (Rs. in million) (B-C)	900.80	769.47	526.43	401.96	263.68
E Restated Net profit after tax for diluted EPS (Rs. in million) (D+C)	949.97	802.63	556.47	451.67	295.46
Weighted average number of equity shares outstanding during the year					
F For basic earnings per share*	54,052,040	53,678,400	53,677,443	53,864,204	55,205,192
Effect of dilution:					
G Convertible preference shares**	26,632,320	26,632,320	26,632,320	26,632,320	26,632,320
H Dilutive impact of ESOPs outstanding	1,436,442	1,409,308	868,979	28,207	-
I For diluted earnings per share (F+G+H)	82,120,802	81,720,028	81,178,742	80,524,731	81,837,512
J Number of shares outstanding at the end of the year*	54,629,520	53,678,400	53,678,400	53,671,680	54,267,200
K Restated basic earnings per share (D/F)	16.67	14.33	9.81	7.46	4.78
L Restated diluted earnings per share (E/I)	11.57	9.82	6.85	5.61	3.61
M Restated Net Worth excluding preference share capital at the end of year (Rs. in million)	3,144.50	2,048.57	1,603.89	1,143.03	911.77
N Return on net worth (%) (B/A)	27.85%	34.67%	34.34%	38.95%	31.82%
O Net assets value per equity share (M/J)	57.56	38.16	29.88	21.30	16.80

Notes::

1. The ratio has been computed as below

$$\text{Basic earnings per share} = \frac{\text{Restated Net profit after tax}}{\text{Weighted average number of equity shares outstanding during the year}}$$

$$\text{Diluted earnings per share} = \frac{\text{Restated Net profit after tax \#}}{\text{Weighted average number of equity shares outstanding during the year\#}}$$

after adjusting for the effect of dilutive potential equity shares

$$\text{Return on net worth (\%)} = \frac{\text{Restated Net profit after tax}}{\text{Restated Net Worth}}$$

$$\text{Net assets value per share (Rs.)} = \frac{\text{Restated Net Worth excluding preference share capital}}{\text{Number of equity shares as at the year end}}$$

2. Earnings per share (EPS) calculation is in accordance with the notified Accounting Standard 20 'Earning per share'.

3. The figures disclosed above are based on the Restated Summary Statements o the Company.

* adjusted for bonus issue to equity shareholders of the Company in the ratio of 15 shares for every 1 share held during the year ended 31 March 2014 and subdivision of 1 share of Rs. 100 each into 10 shares of Rs. 10 each during the year ended 31 March 2015.

** adjusted for bonus issue to preference shareholders of the Company in the ratio of 15 shares for every 1 share held during the year ended 31 March 2014 and sub-division of 1 share of Rs. 100 each into 10 shares of Rs. 10 each during the year ended 31 March 2015.

ANNEXURE XXXI: CAPITALISATION STATEMENT AS AT 31 MARCH 2015

Particulars	(Amounts in Rs. million)	
	Pre Issue As at 31 March 2015	Post issue as at *
Borrowings :		
Short Term	-	
Long Term (A)	-	
Total Borrowing (B)	-	
Restated Shareholders' Fund		
Share Capital	812.62	
Restated Reserves and surplus	2,598.20	
Restated Total Shareholders' Fund (C)	3,410.82	
Long term Borrowings / Equity Ratio (A/C)	0.00%	
Total Borrowings / Equity Ratio (B/C)	0.00%	

* The Post issue Share capital, Reserves & Surplus and debt equity ratio can be calculated only on the conclusion of Book Building Process.

Notes:

1. The long term borrowings / equity ratio has been computed as under:
Long term borrowings / total shareholders' Funds
2. The total borrowings / equity ratio has been computed as under:
Total borrowings / total shareholders' Funds
3. Short term borrowings is considered as borrowing due within 12 months from the balance sheet date.
4. Long term borrowings is considered as borrowing other than short term borrowing, as defined above and also includes the current maturities of long term borrowings.
5. The figures disclosed above are based on the Restated Consolidated Summary Statements of assets and liabilities of the Company.

ANNEXURE XXXII: RESTATED CONSOLIDATED STATEMENT OF DIVIDEND DECLARED

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Equity share capital					
Issued number of shares	54,629,520	5,367,840	335,490	335,448	339,170
Face value	10	100	100	100	100
Rate of dividend (%)	15.34%	10.64%	154.28%	257.00%	164.28%
Amount of dividend (Rs. In million)	83.78	57.14	51.76	86.21	55.72
Total corporate dividend tax (Rs. In million)	18.22	11.23	8.80	13.99	9.04
Preference share capital					
Issued number of shares	26,632,320	2,663,232	166,452	166,452	166,452
Face value	10	100	100	100	100
Rate of dividend (%)	15.34%	10.64%	154.28%	256.95%	164.29%
Amount of dividend (Rs. In million)	40.85	28.34	25.68	42.77	27.34
Total corporate dividend tax (Rs. In million)	8.32	4.82	4.36	6.94	4.44

ANNEXURE XXXIII: LIST OF SUBSIDIARIES CONSIDERED FOR CONSOLIDATION:

i) Following Subsidiaries have been consolidated on line by line basis:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest as at March 31, 2015	Proportion of Ownership Interest as at March 31, 2014	Proportion of Ownership Interest as at March 31, 2013	Proportion of Ownership Interest as at March 31, 2012	Proportion of Ownership Interest as at March 31, 2011
Sanya Chemicals Private Limited	India	NA	NA	100%	100%	100%
Medex Health Care Private Limited	India	NA	NA	100%	100%	100%
Amolak Diagnostics Private Limited (wef January 30, 2011)	India	NA	NA	100%	100%	100%
Medicave Diagnostic Centre Private Limited (wef March 31, 2013)	India	NA	NA	100%	-	-
Medicave Medical Systems Private Limited	India	NA	NA	-	-	-
Paliwal Diagnostics Private Limited	India	70%	70%	70%	70%	70%
Paliwal Healthcare Private Limited	India	70%	70%	70%	70%	70%
APL Institute of Clinical Laboratory & Research Private Limited (wef March 1, 2014)	India	100%	100%	-	-	-

i) The LPL Group acquired stake in Medicave Medical Systems Private Limited on April 1, 2013 (resulting in the company becoming 100% subsidiary of Dr. Lal PathLabs Private Limited). The aforesaid acquisition has effect of increase in assets and liabilities by Rs. 2.39 million and Rs. 8.21 million respectively in Consolidated Financial Statements of the Company as at March 31, 2014.

ii) The LPL Group acquired stake in APL Institute of Clinical Laboratory & Research Private Limited on March 1, 2014 (resulting in the company becoming 100% subsidiary of Dr. Lal PathLabs Private Limited). The aforesaid acquisition has effect of increase in assets and liabilities by Rs. 18.69 million and Rs. 3.24 million respectively in Consolidated Financial Statements.

iii) The LPL Group has acquired stake in Medicave Diagnostic Centre Private Limited on March 31, 2013 (resulting in the company becoming 100% subsidiary of Dr. Lal PathLabs Private Limited). The aforesaid acquisition has effect of increase in assets and liabilities by Rs. 46.13 million and Rs. 21.67 million respectively in Consolidated Financial Statements.

iv) The Group has acquired stake in Amolak Diagnostic Private Limited on January 30, 2011 (resulting in the company becoming 100% subsidiary of Dr. Lal PathLabs Private Limited). The aforesaid acquisition has effect of increase in assets and liabilities by Rs. 28.18 million and Rs. 17.17 million respectively and net increase in profit after tax by Rs. 2.78 million in Consolidated Financial Statements.

ANNEXURE XXXIV: RESTATED CONSOLIDATED STATEMENT OF RELATED PARTIES AND RELATED PARTY TRANSACTION

(i) Related party disclosures

Names of related parties and related party relationship	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
a) Key Management Personnel					
	Dr. Arvind Lal, Chairman cum Managing Director of the Parent Company	Dr. Arvind Lal, Chairman cum Managing Director of the Parent Company	Dr. Arvind Lal, Chairman cum Managing Director of the Parent Company	Dr. Arvind Lal, Chairman cum Managing Director of the Parent Company	Dr. Arvind Lal, Chairman cum Managing Director of the Parent Company
	Dr. Vandana Lal, Director of the Parent Company	Dr. Vandana Lal, Director of the Parent Company	Dr. Vandana Lal, Director of the Parent Company	Dr. Vandana Lal, Director of the Parent Company	Dr. Vandana Lal, Director of the Parent Company
	Dr. Om Prakash Manchanda, Director of the Parent Company	Dr. Om Prakash Manchanda, Director of the Parent Company	Dr. O.P. Manchanda, Director of the Parent Company	Dr. O.P. Manchanda, Director of the Parent Company (w.e.f. February 1, 2011)	Dr. O.P. Manchanda, Director of the Parent Company (w.e.f. February 1, 2011)
	Dr. Umesh Paliwal, Director of Paliwal Diagnostics Private Limited	Dr. Umesh Paliwal, Director of Paliwal Diagnostics Private Limited	Dr. Umesh Paliwal, Director of Paliwal Diagnostics Private Limited	Dr. Umesh Paliwal, Director of Paliwal Diagnostics Private Limited	Dr. Umesh Paliwal, Director of Paliwal Diagnostics Private Limited
	Dr. Mridula Paliwal, Director of Paliwal Medicare Private Limited	Dr. Mridula Paliwal, Director of Paliwal Medicare Private Limited	Dr. Mridula Paliwal, Director of Paliwal Medicare Private Limited	Dr. Mridula Paliwal, Director of Paliwal Medicare Private Limited	Dr. Mridula Paliwal, Director of Paliwal Medicare Private Limited
	Dr. Bhaskar Vyas, Director of APL Institute of Clinical Laboratory And Research Pvt Ltd (wef March 1, 2014)	Dr. Bhaskar Vyas, Director of APL Institute of Clinical Laboratory And Research Pvt Ltd (wef March 1, 2014)	Mr. Sukumar Saha Roy, Director of Medicave Diagnostics Centre Private Limited (w.e.f. March 31, 2013)		
		Ms. Gargi Ladia, Director of APL Institute of Clinical Laboratory And Research Pvt Ltd (wef March 1, 2014)			
		Dr. Kalpana Vyas, Director of APL Institute of Clinical Laboratory And Research Pvt Ltd (wef March 1, 2014)			
		Mr. Sukumar Saha Roy, Director of Medicave Diagnostic Centre Private Limited and Medicave Medicals Systems Private Limited (till April 10, 2013)			

Names of related parties and related party relationship	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
b) Relatives of key Management					
Personnel of the LPL Group:					
	Dr. Archana Lal (Daughter of Dr. Arvind Lal & Dr. Vandana Lal)	Dr. Archana Lal (Daughter of Dr. Arvind Lal & Dr. Vandana Lal)	Dr. Archana Lal (Daughter of Dr. Arvind Lal & Dr. Vandana Lal)	Dr. Archana Lal (Daughter of Dr. Arvind Lal & Dr. Vandana Lal)	Dr. Archana Lal (Daughter of Dr. Arvind Lal & Dr. Vandana Lal)
	Mr. Anjaneya Lal (Son of Dr. Arvind Lal & Dr. Vandana Lal)	Mr. Anjaneya Lal (Son of Dr. Arvind Lal & Dr. Vandana Lal)	Mr. Anjaneya Lal (Son of Dr. Arvind Lal & Dr. Vandana Lal)	Mr. Anjaneya Lal (Son of Dr. Arvind Lal & Dr. Vandana Lal)	Mr. Anjaneya Lal (Son of Dr. Arvind Lal & Dr. Vandana Lal)
	Mrs. Asha Paliwal (Mother of Dr. Umesh Paliwal)	Mrs. Asha Paliwal (Mother of Dr. Umesh Paliwal)	Mrs. Asha Paliwal (Mother of Dr. Umesh Paliwal)	Mrs. Asha Paliwal (Mother of Dr. Umesh Paliwal)	Mrs. Asha Paliwal (Mother of Dr. Umesh Paliwal)
		Mrs. Nilima Saha Roy (Wife of Mr. Sukumar Saha Roy) (w.e.f. March 31, 2013)	Mrs. Nilima Saha Roy (Wife of Mr. Sukumar Saha Roy) (w.e.f. March 31, 2013)		
		Ms. Mukti Saha (Daughter of Mr. Sukumar Saha Roy & Mrs. Nilima Saha Roy) (w.e.f. March 31, 2013)	Ms. Mukti Saha (Daughter of Mr. Sukumar Saha Roy & Mrs. Nilima Saha Roy) (w.e.f. March 31, 2013)		
		Ms. Sukla Saha (Daughter of Mr. Sukumar Saha Roy & Mrs. Nilima Saha Roy) (w.e.f. March 31, 2013)	Ms. Sukla Saha (Daughter of Mr. Sukumar Saha Roy & Mrs. Nilima Saha Roy) (w.e.f. March 31, 2013)		
		Mrs. Sathi Roy (Daughter of Mr. Sukumar Saha Roy & Mrs. Nilima Saha Roy) (w.e.f. March 31, 2013)	Mrs. Sathi Roy (Daughter of Mr. Sukumar Saha Roy & Mrs. Nilima Saha Roy) (w.e.f. March 31, 2013)		
		Mrs. Shewly Dhar (Daughter of Mr. Sukumar Saha Roy & Mrs. Nilima Saha Roy) (w.e.f. March 31, 2013)	Mrs. Shewly Dhar (Daughter of Mr. Sukumar Saha Roy & Mrs. Nilima Saha Roy) (w.e.f. March 31, 2013)		
c) enterprises owned or significantly influenced by key management personnel or their relatives					
	Central Clinical Laboratory	Central Clinical Laboratory	Central Clinical Laboratory	Central Clinical Laboratory	Central Clinical Laboratory
	Eskay House HUF - Dr. Arvind Lal	Eskay House HUF - Dr. Arvind Lal	Eskay House HUF - Dr. Arvind Lal	Eskay House HUF - Dr. Arvind Lal	Eskay House HUF - Dr. Arvind Lal
			Medicave Medical Systems Private Limited (w.e.f. March 31, 2013)		

(ii) Related Party Transactions

(Amounts in Rs. million)

Sl. No	Transaction details	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
1	Loan Given					
	Key management personnel (KMP)					
	Dr. Om Prakash Manchanda - Director**	-	-	-	-	36.28
2	Loan Received back					
	Key management personnel (KMP)					
	Dr. Om Prakash Manchanda - Director	-	-	3.39	9.47	23.42
3	Loan Repaid					
	Key management personnel (KMP)					
	Dr. Arvind Lal - Chairman cum Managing Director	-	-	-	-	1.85
4	Loan Repayment - Interest					
	Key management personnel (KMP)					
	Dr. Arvind Lal - Chairman cum Managing Director	-	-	-	-	0.11
5	Buy Back pf shares					
	Key management personnel (KMP)					
	Dr. Om Prakash Manchanda - Director (1000 Shares)	-	-	-	17.72	-
6	Remuneration*					
	Key management personnel (KMP)					
	Dr. Arvind Lal - Chairman cum Managing Director	17.34	14.26	12.04	9.83	8.38
	Dr. Vandana Lal - Director	13.90	11.37	9.66	7.92	6.72
	Dr. O. P. Manchanda - Director	31.13	24.18	21.38	19.43	4.71
	Mr. Bhaskar Vyas	-	2.48	-	-	-
	Ms. Gargi Ladia	-	2.21	-	-	-
	Ms. Kalpana Vyas	-	0.22	-	-	-
	Relatives of Key Management Personnel					
	Dr. Archana Lal (Daughter of Dr. Arvind Lal & Dr. Vandana Lal)	1.11	0.87	0.87	0.83	0.73
	Dr. Anjaneya Lal (Son of Dr. Arvind Lal & Dr. Vandana Lal)	1.36	1.18	1.00	-	-
7	Rent					
	Key management personnel (KMP)					
	Dr. Arvind Lal - Chairman cum Managing Director	0.09	0.06	-	-	-
	Dr. Vandana Lal - Director	0.91	0.86	0.82	0.78	0.73
	Dr. Bhaskar Vyas	-	0.08	-	-	-
	Dr. Umesh Paliwal	3.33	2.90	2.90	3.18	1.94
	Relatives of Key Management Personnel					
	Mrs. Asha Paliwal	0.12	0.12	0.12	0.12	0.12
	Enterprise having significant Influence					
	Central Clinical Laboratories	0.13	0.16	0.20	0.19	0.18
	Eskay House HUF - Dr. Arvind Lal	7.75	7.75	7.75	7.61	7.10
8	Other transactions-Dividend paid					
	Key management personnel (KMP)					
	Dr. Arvind Lal - Chairman cum Managing Director	30.05	27.23	45.35	28.99	43.41
	Dr. Vandana Lal - Director	19.15	17.35	28.89	18.47	27.66
	Dr. Om Prakash Manchanda - Director	0.25	0.23	0.37	0.87	-
	Dr. Umesh Paliwal	1.72	2.20	-	-	-
	Relatives of Key Management Personnel					
	Dr. Archana Lal	2.38	2.16	3.60	2.30	3.40
	Mr. Anjaneya Lal	2.38	2.16	3.60	2.30	3.40
	Dr. Mridula Paliwal	1.13	1.44	-	-	-
	Mrs. Asha Paliwal	0.16	0.20	-	-	-
	Enterprise having significant Influence					
	Eskay House HUF - Dr. Arvind Lal	2.04	1.85	3.08	1.97	2.95

Sl. No	Transaction details	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
9	Retainership fees to technical consultants					
	Key management personnel (KMP)					
	Dr. Umesh Paliwal	2.05	2.62	10.12	2.10	1.64
	Dr. Mridula Paliwal	-	-	1.80	1.85	0.94
	Relatives of Key Management Personnel					
	Dr. Mridula Paliwal	1.14	1.69	-	-	-
10	Security Deposit					
	Key management personnel (KMP)					
	Dr. Umesh Paliwal	0.75	0.75	0.75	0.75	0.75
	Dr. Bhaskar Vyas	-	0.30	-	-	-
	Enterprise having significant Influence					
	Eskay House HUF - Dr. Arvind Lal	0.64	0.64	0.64	0.64	0.64
11	Issue of equity shares					
	Key management personnel (KMP)					
	Dr. O. P. Manchanda - Director (1,000 shares)	18.45	-	-	-	-
12	Amount payable					
	Key management personnel (KMP)					
	Dr. Umesh Paliwal	0.36	0.28	0.42	0.63	0.28
	Dr. Mridula Paliwal	-	-	0.41	0.06	0.05
	Mr. Sukumar Saha Roy	-	-	18.53	-	-
	Dr. Bhaskar Vyas	-	0.07	-	-	-
	Relatives of Key Management Personnel					
	Mrs. Asha Paliwal	0.01	0.01	0.01	0.01	0.01
	Mrs. Nilima Saha Roy	-	-	11.07	-	-
	Ms. Mukti Saha	-	-	1.20	-	-
	Ms. Sukla Saha	-	-	0.96	-	-
	Mrs. Sathi Roy	-	-	10.35	-	-
	Mrs. Shewly Dhar	-	-	10.01	-	-
13	Amount recoverable					
	Key management personnel (KMP)					
	Dr. Umesh Paliwal	-	-	0.46	-	-
	Dr. Vandana Lal – Director	-	-	-	0.01	-
	Dr. O. P. Manchanda - Director	-	-	-	3.39	12.86
	Enterprises owned or significantly influenced by key management personnel or their relatives					
	Medicave Medical Systems Private Limited	-	-	3.14	-	-
14	Loan Payable					
	Relatives of Key Management Personnel					
	Mrs. Sathi Roy	-	-	0.05	-	-
	Mrs. Nilima Saha Roy	-	-	0.05	-	-
15	Employee Stock Option Compensations					
	Key management personnel (KMP)					
	Dr. Om Prakash Manchanda - Director	181.62	113.97	170.46	4.53	-
16	Employee Stock Option Compensation Outstanding					
	Key management personnel (KMP)					
	Dr. Om Prakash Manchanda - Director	319.55	288.97	175.00	4.53	-

Notes:

* The remuneration to the key managerial personnel does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

** Loan given to Dr. O.P. Manchanda is interest free.

No amount has been provided as doubtful debts or advances/written off or written back in respect of debts due from/to above parties, except as stated above.

ANNEXURE XXXV: RESTATED CONSOLIDATED STATEMENT OF EMPLOYEE BENEFITS

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months.

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the gratuity plan. The scheme in respect of the parent Company is funded.

Statement of profit and loss

Net employee benefit expense recognized in employee cost: (Amounts in Rs. million)

Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Current service cost	10.47	8.63	4.68	3.88	3.83
Interest cost on benefit obligation	3.36	2.40	1.84	1.26	1.17
Expected return on plan assets	(2.95)	(2.24)	(1.45)	(0.08)	-
Gratuity Written back	-	-	-	-	(0.24)
Net actuarial (gain) / loss recognized in the year	0.03	(3.07)	(0.83)	2.08	(4.92)
Net benefit expense	10.91	5.72	4.24	7.14	(0.16)*
Actual return on plan assets	2.83	2.14	1.45	0.12	-

* Disclosed in Unspent Liability/ Miscellaneous Balance Written Back in annexure XXIV-A.

Balance Sheet

Benefit Asset / Liability (Amounts in Rs. million)

Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Present value of defined benefit obligation	48.92	33.12	27.02	22.11	15.87
Fair value of plan assets	36.48	26.35	23.73	2.04	1.03
Plan (liability)	12.44	6.77	3.29	20.07	14.84

Change in present value of the defined benefit obligation are as follows: (Amounts in Rs. million)

Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Opening defined benefit obligation	33.12	27.02	22.11	15.87	15.04
Adjustment pertaining to earlier year	3.79	-	-	-	-
Current service cost	10.47	8.63	4.68	3.88	3.83
Interest cost	3.36	2.40	1.84	1.26	1.17
Benefits paid	-	-	-	-	-
- directly paid by the enterprise	(0.09)	-	(0.06)	(1.01)	(0.64)
- payment made out of the fund	(1.64)	(1.76)	(0.72)	(0.01)	-
Gratuity Written Back	-	-	-	-	(0.24)
Acquired during the year	-	-	-	-	1.63
Actuarial (gain) / loss	(0.09)	(3.17)	(0.83)	2.12	(4.92)
Closing defined benefit obligation	48.92	33.12	27.02	22.11	15.87

Change in fair value of plan assets are as follows: (Amounts in Rs. million)

Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Opening fair value of plan assets	26.35	23.73	2.04	1.03	-
Acquired during the year	3.79	-	-	-	0.98
Expected return	2.95	2.24	1.45	0.08	0.05
Contributions by employer	5.15	2.24	20.96	0.90	-
Benefits paid	(1.64)	(1.76)	(0.72)	(0.01)	-
Actuarial gain / (loss)	(0.12)	(0.10)	-	0.04	-
Closing fair value of plan assets	36.48	26.35	23.73	2.04	1.03

Expected to contribute to gratuity fund

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
	(%)	(%)	(%)	(%)	(%)
Investments with insurer	100	100	100	100	100

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
	(%)	(%)	(%)	(%)	(%)
Discount rate	7.78 - 9.15	9.10 - 9.15	8.00 - 8.25	8.00 - 8.25	8.00 - 8.20
Expected rate of return on plan assets	8.00 - 9.25	8.00 - 9.25	9.00	8.00	-
Increase in compensation cost	5.00 - 10.00	5.00	5.00	5.00	5.00 - 6.00
Employee turnover	2.00 - 14.00	2.00 - 10.00	2.00 - 10.00	2.00 - 10.00	2.00

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current year and previous years are as follows: (Amounts in Rs. million)

Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Defined benefit obligation	48.92	33.12	27.02	22.11	15.87
Plan assets	36.48	26.35	23.73	2.04	1.03
(Deficit)	12.44	6.77	3.29	20.07	(14.84)
Experience adjustment on plan liabilities – (loss) / gain	(5.18)	0.42	1.26	0.87	1.03
Experience adjustment on plan assets – (loss) / gain	(0.12)	(0.10)	-	0.04	-

Defined contribution plan: (Amounts in Rs. million)

Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Contribution to provident and other funds	30.77	24.32	19.52	15.70	12.73

ANNEXURE XXXVI: EMPLOYEES STOCK OPTION PLAN

In terms of approval of shareholders accorded at the Annual General Meeting held on 20 August, 2010, the Parent Company formulated Dr. Lal PathLabs Pvt. Ltd. Employee Stock Option Plan 2010 ("Plan") for specified categories of employees of the Parent Company. As per the Plan, 3,808,960 Stock Options (after considering bonus shares issued during the year ended 31 March, 2014 and subdivision of shares of Rs. 100 each into 10 shares of Rs. 10 each) during the year ended 31 March 2015 can be issued to specified categories of employees of the Parent Company. Each option, upon vesting, shall entitle the holder to acquire 1 equity share of Rs.10. Details of the plan are as under:

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6
Date of grant	01/Sep/10	01/Apr/11	01/Apr/12	01/Nov/13	01/Dec/13	23/Jan/15
Date of Board Approval	20/Aug/10	20/Aug/10	20/Aug/10	20/Aug/10	20/Aug/10	20/Aug/10
Date of Shareholder's approval	20/Aug/10	20/Aug/10	20/Aug/10	20/Aug/10	20/Aug/10	20/Aug/10
Number of options granted	2,972,160*	460,000*	80,000*	28,000*	28,000*	162,180
Method of settlement (cash / equity)	Cash	Cash	Cash	Cash	Cash	Cash
Vesting Period	51 months on monthly basis	51 months on monthly basis	60 months on monthly basis	60 months on monthly basis	60 months on monthly basis	48 months on monthly basis
Exercise period	Refer Note 1 below	Refer Note 1 below	Refer Note 1 below	Refer Note 1 below	Refer Note 1 below	Refer Note 1 below
Vesting conditions	Continued employment	Continued employment	Continued employment	Continued employment	Continued employment	Continued employment

* Updated by considering subdivision along with bonus.

Exercise of option:

Note 1: Exercise period shall be a period of five years from the date on which the Parent Company's shares are listed on a recognized stock exchange in India, or a period of ten years from the date of vesting, whichever period ends later.

The details of activity under the aforesaid scheme have been summarized below:

Particulars	2015		2014		2013		2012		2011	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
				(Rs.)		(Rs.)		(Rs.)		(Rs.)
Outstanding at the beginning of the year	3,374,560	110.76	3,512,160	110.76	3,432,160	110.76	2,972,160	110.76	-	-
Granted during the year	162,180	110.76	56,000	110.76	80,000	110.76	460,000	110.76	2,972,160	110.76
Forfeited during the year	88,320	-	73,600	-	-	-	-	-	-	-
Exercised during the year	1,019,360	-	120,000	-	-	-	-	-	-	-
Expired during the year	-	-	-	-	-	-	-	-	-	-
Outstanding at the end of the year	2,429,060	124.15	3,374,560	110.76	3,512,160	110.76	3,432,160	110.76	2,972,160	110.76
Exercisable at the end of the year	2,236,460	111.36	2,722,240	110.76	2,039,078	110.76	1,215,520	110.76	408,000	110.76
Weighted average remaining contractual life (in years)	Refer Note 2		Refer Note 2		Refer Note 2		Refer Note 2		Refer Note 2	

Year	Exercise price (Rs.)	Number of options	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (Rs)	Fair Value of Parent Company's share (Rs.)
2015	110.76	2,266,880	Refer Note 2 below	110.76	311.30
	311.30	162,180	Refer Note 2 below	311.30	311.30
2014	110.76	3,374,560	Refer Note 2 below	110.76	235.72
2013	110.76	3,512,160	Refer Note 2 below	110.76	193.01
2012	110.76	3,432,160	Refer Note 2 below	110.76	113.39
2011	110.76	2,972,160	Refer Note 2 below	110.76	74.63

Note 2: As the exercise price is dependent on the listing of the Parent Company's share, contractual life of the options cannot be determined

Stock Options granted:

Particulars	Year Ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Weighted Average Fair Value of the Parent Company's shares under the Stock Option Plan granted to the Employees	311.30	235.72	193.01	113.39	74.63
Method adopted to calculate the Weighted Average Fair Value of the Parent Company's Shares	Weighted average of fair values determined on the basis of the Discounted Cash Flow and Comparable Transaction Method.	Weighted average of fair values determined on the basis of the Discounted Cash Flow and Comparable Transaction Method.	Weighted average of fair values determined on the basis of the Discounted Cash Flow and Comparable Transaction Method.	Simple average of fair values determined on the basis of the Net assets Value Method (based on value as at March 31, 2011) and Profit earning Capacity Value method based on profits of preceding five years, capitalized at the rate of 15%. The fair value so arrived has been reduced by restricted tradability discounting factor of 15%.	Simple average of fair values determined on the basis of the Net assets Value Method (based on value as at March 31, 2010) and Profit earning Capacity Value method based on profits of preceding five years, capitalized at the rate of 15%. The fair value so arrived has been reduced by restricted tradability discounting factor of 15%.
Interest free loan given to Dr. Lal Path Labs Pvt. Ltd. Employee Welfare Trust (Rs. in million)	344.42	105.26	81.44	63.14	-
Shares purchased by Dr. Lal Path Labs Pvt. Ltd. Employee Welfare Trust from employees under the ESOP Plan 2005 / 2010 till date (Equity shares of Rs. 10 each) (Rs. in million)	1.60	0.75	0.71	-	-
Employee Compensation Cost (Rs. in million)	242.19	155.46	249.65	6.43	-

- The Employee Stock Option Plan provides for an exit route to the employees till the Parent Company's shares are listed on a recognised stock exchange, whereby the employees may offer to sell the shares to ESOP trust at fair value as on the date of application or as provided in the ESOP Plan. During the year ended 31 March 2014, the Company had reassessed the ESOP scheme as cash settled basis as against equity settled basis treated in earlier year's financial statements. As a result of this, the Parent Company had during the year ended 31 March 2014 accounted for additional compensation cost of Rs. 404.34 million, which includes Rs. 255.87 million for earlier years. The same has been reflected in the restated financials in respective years to which the cost pertained.

ANNEXURE XXXVII: OTHER NOTES TO SUMMARY OF RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS (ANNEXURE II) AND SUMMARY OF RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES (ANNEXURE I)

1. Segment Information

Primary segments: Business Segment

The Company is solely engaged in the business of running laboratories for carrying out Pathological investigations of various branches of Bio-chemistry, Hematology, Histopathology, Microbiology, Electrophoresis, Immuno-chemistry, Immunology, Virology, Cytology, other pathological and radiological investigations. The entire operations are governed by the same set of risks and returns and hence have been considered as representing a single business segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard 17 on Segment Reporting 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 the Companies Act, 2013.

The LPL Group sells its services mostly within India and does not have any operations in economic environments with different risks and returns. Hence, it is considered operating in a single geographical segment.

Secondary Segments: Geographical Segments

The analysis of geographical segment is based on geographical location of its customers.

The following table shows the distribution of the Company's consolidated revenue and trade receivables by geographical market:

(Amounts in Rs. million)					
Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
1. Revenue					
- India	6,575.96	5,560.44	4,497.06	3,407.86	2,364.75
- Outside India	19.94	19.03	19.55	14.21	7.92
Total Revenue	6,595.90	5,579.47	4,516.61	3,422.07	2,372.67
2. Trade Receivables					
- India	302.15	245.81	193.29	137.11	94.04
- Outside India	7.45	5.75	4.58	6.17	2.81
Total Trade Receivables	309.60	251.56	197.87	143.28	96.85

Note: All assets other than the trade receivables as disclosed above are located in India.

2. Capital and other commitments :

(Amounts in Rs. million)					
Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	45.76	55.14	4.25	34.87	14.93
(b) Commitment of reagent purchases in lieu of suppliers providing laboratory machineries free of	Not quantifiable	Not quantifiable	Not quantifiable	Not quantifiable	Not quantifiable
(c) Other Commitments (R&D commitment)	-	10.75	12.08	12.42	-

3. Contingent liabilities (not provided for) in respect of :

(Amounts in Rs. million)					
Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Claims against the Company by a vendor not acknowledged as debts* (As per the Company theses claims are not tenable and therefore no provision is required)	59.80	59.80	59.80	58.97	-
Other claims against the Company not acknowledged as debts*	10.06	9.25	10.48	8.65	8.74
Disputed income tax demands under appeal *	-	-	1.46	0.68	-
Demand raised by Commercial tax department, UP*	-	-	0.26	0.26	0.26

* Based on the discussions with the solicitor/ expert opinions taken/status of the case, the management believes that the Group has strong chances of success in above mentioned cases and hence no provision there against is considered necessary at this point in time likelihood of liability devolving on the Company is less than probable.

4. Goodwill (on Consolidation)

Goodwill appearing in the financial statements denotes the goodwill in respect of subsidiaries acquired by the Parent company and the proportionate share of the Group in the goodwill appearing in the consolidated financial statements as per details given below.

(Amounts in Rs. million)					
Name of the Company	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Sanya Chemicals Private Limited	8.71	8.71	8.71	8.71	8.71
Medex Health Care Private limited	8.93	8.93	8.93	8.93	8.93
Paliwal Medicare Private Limited	12.55	12.55	12.55	12.55	12.55
Paliwal Diagnostics Private Limited	30.42	30.42	30.42	30.42	30.42
Amolak Diagnostics Private Limited	121.87	121.86	121.86	121.86	121.86
Medicave Diagnostic Centre Private Limited	99.18	99.20	96.82	-	-
Medicave Medical Systems Private Limited	70.88	70.87	-	-	-
APL Institute of Clinical Laboratory & Research Private Limited	63.21	63.21	-	-	-
	415.75	415.75	279.29	182.47	182.47

The DLPL Group had recognized goodwill of Rs. 291.94 million in respect of its erstwhile subsidiary companies, Amolak Diagnostics Private Limited, Medicave Diagnostic Centre Private Limited and Medicave Medical Systems Private Limited, which have now merged with the Parent Company pursuant to the Scheme of Amalgamation. Further, goodwill of Rs. 63.21 million was recognised in respect of APL Institute of Clinical Laboratory & Research Private Limited, a wholly owned subsidiary company. Based on the financial statements of these subsidiary / erstwhile subsidiary companies, their net worth is substantially lower than the group's investment in these companies/businesses.

Goodwill has been tested for impairment using the cash flow projections, which are based on most recent financial budgets/ forecasts approved by the management and/ or the fair value of the companies/businesses as on March 31, 2015.

5. Assets taken on Operating Leases

Office premises and equipments are obtained on operating lease. The lease terms are ranging from 1-20 years and are generally cancellable at the option of the company (within the LPL Group). However, there are lock in period in case of few leases.

Future minimum lease payments are as follows:-

Particulars	(Amounts in Rs. million)				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Not later than one year	84.73	37.21	26.53	18.62	17.05
Later than one year but not later than five years	106.28	63.01	49.95	36.09	34.73
Later than five years	2.86	9.32	14.24	1.14	2.59

6. Unhedged foreign currency exposure

Unhedged foreign currency exposures as at the Balance Sheet Date (for the parent company):

Particulars	(Amounts in Rs. million)				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Import Trade Payable - USD	0.05	0.01	0.02	0.05	0.03
- INR	3.29	0.76	1.28	2.40	1.23
Import Trade Payable - AUD	-	0.01	0.04	-	0.01
- INR	-	0.30	2.35	-	0.54
Export Trade Receivable - SAR	0.32	0.30	0.25	0.41	0.18
- INR	5.15	4.82	3.67	5.58	2.26
Export Trade Receivable - KD	0.00	0.00	0.00	0.00	0.00
- INR	0.21	0.19	0.18	0.38	0.44
Export Trade Receivable - NGN	0.16	0.33	-	-	-
- INR	0.06	0.12	-	-	-
Export Trade Receivable - OMR	0.01	0.00	0.00	0.00	-
- INR	0.93	0.33	0.56	0.15	-
Export Trade Receivable - USD	0.01	0.00	0.00	-	-
- INR	0.50	0.30	0.18	-	-
Export Trade Receivable - QAR	0.04	-	-	-	-
- INR	0.60	-	-	-	-
Export Trade Receivable - AED	-	-	-	0.00	-
- INR	-	-	-	0.02	-
Export Trade Receivable - MYR	-	-	-	0.00	-
- INR	-	-	-	0.04	-
Advance to Suppliers - USD	-	-	-	-	0.00
- INR	-	-	-	-	0.03

7. Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprise Development (MSMED) Act, 2006

Particulars	(Amounts in Rs. million)				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
1.) The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting period.	0.50	Nil	Nil	Nil	Nil
2.) The amount of interest paid by the buyer in terms of Section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period.	Nil	Nil	Nil	Nil	Nil
3.) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil	Nil	Nil	Nil
4.) The amount of interest accrued and remaining unpaid at the end of each accounting period; and	Nil	Nil	Nil	Nil	Nil
5.) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil	Nil	Nil	Nil

8 (a) Investments

- The Parent Company had, during the previous year 2013-14, made an investment of Rs. 70.87 million (including stamp duty of Rs. 0.19 million paid by the parent Company) in equity shares of APL Institute of Clinical Laboratory and Research Private Limited. The Company has made part payment of Rs. 40.67 million against the consideration payable for the purchase of equity shares till the end of current financial year. The balance consideration is payable subject to achievement of minimum Net Revenue and target EBITDA, as specified in the agreement, by the Company after 12 months from the date of signing of share purchase agreement along with 10% interest per annum from April 1, 2014. The investment has been recorded at full consideration and the unpaid consideration of Rs. 30.00 million has been shown as 'Creditors against purchase of investment' in Annexure XI under Restated Consolidated Statement of Trade Payables and Other Liabilities.

- The Parent Company had, during the previous year ended 31 March 2014, formed a wholly owned foreign subsidiary, Dr. Lal PathLabs International B.V., Amsterdam, with a issued capital of EUR 0.10 million consisting of 10,000 shares of EUR 10 each. However, no amount has been subscribed till the year end.

- During the year ended 31 March 2013, the Parent Company had made an investment of Rs. 120.30 million in equity shares of Medicaive Diagnostic Centre Private Limited.

- The Parent Company had, during the year ended 31 March 2011, made an investment of Rs. 130.10 million in equity shares of Amolak Diagnostics Private Limited.

8 (b) Purchase of business

The Parent Company has, during the year, purchased business of "Modern Pathology Laboratory" and "The Nirnoy" engaged in the business of providing radiological and pathological diagnostics services in Raipur and Kolkata respectively, on a going concern basis for a purchase consideration of Rs. 30.00 million and Rs. 5.00 million respectively. The Parent Company has made part payment of Rs. 22.50 million and Rs. 2.00 million against consideration payable for purchase of these businesses respectively. The balance consideration in case of "Modern Pathology Laboratory" will be payable along with 10% interest per annum from November 25, 2014 i.e. from the date of signing of agreement. The investment has been recorded at full consideration and the unpaid consideration of Rs. 7.50 million and Rs. 3.00 million respectively has been shown as 'Creditors against purchase of business' in Annexure XI under Restated Consolidated Statement of Trade Payables and Other Liabilities. The amount of Rs. 14.31 million paid over and above the value of net assets acquired of Rs. 20.70 million (including Trade mark of Rs. 15.28 million) has been recognised as Goodwill.

- During the year ended 31 March 2012, the Parent Company had purchased the pathology business of Santosh Diagnostic & Scan Centre ("SDSC"), engaged in the business of providing pathology and radiology at Bangalore, as a going concern on slump sale basis for a purchase consideration of Rs. 23.50 million (as detailed in the agreements). The Parent Company had made part payment against the consideration payable for the purchase of said business. The amount of Rs.9.00 million paid over and above the value of net assets acquired of Rs.14.50 million has been recognized as Goodwill.

- During the year ended 31 March 2011, the Parent Company had purchased the business of Doctors Diagnostic Centre International("DDCI"), engaged in the business of providing pathology and radiology in Cochin, as a going concern on slump sale basis for a purchase consideration of Rs.160.00 million (as detailed in the agreement). The amount of Rs.16.45 million paid over and above the value of net assets acquired of Rs.143.55 million (including Trademark of Rs.137.20 million recognised on the basis of valuation done by a valuer), has been recognised as Goodwill.

- During the year ended 31 March 2011, the Parent Company had purchased the business of Haldwani Diagnostic Centre, engaged in the business of providing pathology in Haldwani as a going concern on a slump sale basis for a purchase consideration of Rs.12.50 million. The amount of Rs.1.60 million paid over and above the value of net assets acquired aggregating to Rs.10.90 million (including Trademark of Rs.9.30 million recognised on the basis of valuation done by a valuer) acquired, has been recognised as Goodwill.

- During the year ended 31 March 2012, A Subsidiary Company had purchased the business of Care Diagnostic, engaged in the business of providing pathology in Nagpur as a going concern on a slump sale basis for a purchase consideration of Rs.37.50 million. The amount of Rs.6.67 million paid over and above the value of net assets acquired aggregating to Rs.30.84 million (including Trademark of Rs.28.00 million recognised on the basis of valuation done by a valuer) acquired, has been recognised as Goodwill.

9. Buyback of shares

During the year ended 31 March 2012, the Parent Company had, pursuant to share buy back offer, approved by the Board of Directors in the meeting held on July 11, 2011, bought back 3,722 Equity Shares of Rs. 100 each at an average price of Rs. 17,721 per share and accordingly:

- (i) The face value of these shares were reduced from the paid up Equity Share Capital.
- (ii) The balance price of Rs. 17,621 per share paid on these shares aggregating to Rs. 65.59 million was adjusted from the Securities Premium Account.
- (iii) As required under the provisions of the Companies Act, 1956, Rs. 0.37 million was transferred to Share Buy Back Reserve from the Securities Premium Account.

During the year ended 31 March 2011, the Parent Company had, pursuant to share buy back offer, approved by the Board of Directors in the meeting held on August 20, 2010, bought back 13,543 Equity Shares of Rs. 100 each at an average price of Rs. 17,721 per share and accordingly:

- (i) The face value of these shares were reduced from the paid up Equity Share Capital.
- (ii) The balance price of Rs. 17,621 per share paid on these shares aggregating to Rs. 238.64 million was adjusted from the Securities Premium Account.
- (iii) As required under the provisions of the Companies Act, 1956, Rs. 1.35 million was transferred to Share Buy Back Reserve from the Securities Premium Account.

10. Impact of change in useful life of assets on depreciation / amortization

During the year ended 31 March 2015, subsidiaries (including those merged with the Parent Company w.e.f. from April 1, 2013) reassessed the useful life of certain fixed assets to align with the useful life policy followed by the Parent Company w.e.f. April 1, 2014. Accordingly, additional depreciation of Rs. 8.70 million has been accounted for in the financial statements. Had these subsidiaries continued to use the earlier basis of providing depreciation, the charge to the statement of profit and loss for the current year would have been lower by Rs. 8.70 million (net of tax of Rs. 5.69 million) and the net block of these fixed assets would correspondingly have been higher by Rs. 8.70 million.

- During the year ended 31 March 2014, the Parent Company had reassessed the useful life of certain fixed assets w.e.f. April 1, 2013. Accordingly, additional depreciation of Rs. 48.79 million had been accounted for in the financial statements. Had the Company continued to use the earlier basis of providing depreciation, the charge to the statement of profit and loss for the year ended 31 March 2014 would have been lower by Rs. 32.21 million (net of tax of Rs. 16.58 million) and the net block of these fixed assets would correspondingly have been higher by Rs. 48.79 million.

- During the year ended 31 March 2012, the Parent Company had revised the estimated useful life of some of its softwares (included in the block of software under intangible) to two years to four years as against earlier estimated useful lives of five years, due to change in technological environment. Had the Company continued to use the earlier basis of providing amortization, the charge to the statement of profit and loss for the year ended 31 March 2012 would have been lower by Rs. 5.30 million (net of tax of Rs. 3.58 million) and the net block of intangible assets would correspondingly have been higher by Rs. 5.30 million.

- During the year ended 31 March 2011, the Parent Company had reassessed the useful life for amortization of Goodwill. The Company had decided to amortize the goodwill over a period of five years as against hitherto followed practice of amortizing the same over a period of three years, had the Company continued to amortize goodwill over a period of three years, the charge of amortization to the statement of profit and loss for the year ended 31 March 2011 would have been higher by Rs. 1.36 million and correspondingly the net block of goodwill would have been lower by Rs. 1.36 million.

11. Pursuant to the Scheme of Amalgamation [“the Scheme”] under Section 391/394 of the Companies Act 1956 among the Company and Sanya Chemicals Private Limited (“Sanya”), Amolak Diagnostic Private Limited (“Amolak”), Medex Healthcare Private Limited (“Medex”), Medicave Diagnostic Centre Private Limited (“MDCPL”) and Medicave Medical Systems Private Limited (“MMSPL”) [Transferor Companies] approved by respective Hon'ble High Court, the erstwhile subsidiary companies, stands merged with the Company w.e.f. April 1, 2013 (the appointed date).

As per the Scheme of Amalgamation, the authorized share capital of the Parent Company will automatically increase to Rs. 864 million comprising of equity share capital of Rs. 589 million and preference share capital of Rs. 275 million by merging the authorized share capital of Transferor Companies with the Parent Company without any further act or deed on the part of the Parent Company on the effective date as defined in the Scheme. In order to intimate the ROC, NCT of Delhi and Haryana regarding the Scheme and to get its authorised share capital increased as per the Scheme, the Company has filed E Form INC-28 on July 3, 2015 and resubmitted the said form on July 9, 2015.

12. In light of Section 135 of the Companies Act 2013, the Parent Company has not incurred any expense on Corporate Social Responsibility (CSR). The gross amount required to be spent by the Parent Company during the year on CSR activities was Rs. 15.92 million.

13. The amortization of goodwill arising in standalone financial statements of the Parent Company pursuant to Scheme of Amalgamation has been treated as deductible expense under Section 32 of the Income Tax Act, 1961 on the basis of judicial pronouncements and legal opinion obtained by the Parent Company.

14. During the year ended 31 March 2011, In connection with the transfer of Parents Company's shares by a shareholder to another shareholder during the year, the Parent Company had paid professional fees aggregating to Rs. 39.94 million in accordance with the shareholder's agreement entered by the Parent Company with the said shareholder.

15 Disclosure as required by Schedule III of the Companies Act, 2013

(Amounts in Rs. million)

Name of the Entity	Net Assets* as at March 31, 2015	Share in Profit or (Loss) for the year ended March 31, 2015	Net Assets* as at March 31, 2014	Share in Profit or (Loss) for the year ended March 31, 2014	Net Assets* as at March 31, 2013	Share in Profit or (Loss) for the year ended March 31, 2013	Net Assets* as at March 31, 2012	Share in Profit or (Loss) for the year ended March 31, 2012	Net Assets* as at March 31, 2011	Share in Profit or (Loss) for the year ended March 31, 2011
Parent										
Dr Lal PathLabs Private Limited	3,346.29	922.96	2,262.86	778.77	1,499.67	488.28	1,125.34	409.72	931.50	284.36
Indian Subsidiaries										
Pathal Diagnostics Private Limited	60.01	18.03	51.97	18.54	48.43	15.54	32.89	13.47	19.42	12.86
Pathal Medicare Private Limited	16.57	7.06	9.51	3.98	5.53	1.61	3.92	1.62	2.30	1.34
APL Institute of Clinical Laboratory & Research Private Limited	10.92	1.92	9.00	1.34	-	-	-	-	-	-
Amolak Diagnostics Private Limited #	-	-	-	-	61.80	34.42	27.38	18.35	9.03	1.31
Medex Healthcare Private Limited #	-	-	-	-	1.29	9.49	(8.20)	7.07	(15.27)	(2.18)
Sanya Chemicals Private Limited #	-	-	-	-	(3.48)	7.13	(10.61)	1.44	(12.06)	(2.23)
Medicave Diagnostic Centre Private Limited #	-	-	-	-	23.49	-	-	-	-	-
Minority Interests in subsidiaries	(22.97)	(7.53)	(18.45)	(6.76)	(16.19)	(5.15)	(11.04)	(4.53)	(6.52)	(4.26)
Total	3,410.82	942.44	2,314.89	795.87	1,620.54	551.32	1,159.68	447.14	928.40	291.20

Name of the Entity	As % of consolidated net assets	As % of consolidated profit or (loss)	As % of consolidated net assets	As % of consolidated profit or (loss)	As % of consolidated net assets	As % of consolidated profit or (loss)	As % of consolidated net assets	As % of consolidated profit or (loss)	As % of consolidated net assets	As % of consolidated profit or (loss)
Parent										
Dr Lal PathLabs Private Limited	98%	98%	98%	98%	93%	89%	97%	92%	100%	98%
Indian Subsidiaries										
Pathal Diagnostics Private Limited	2%	2%	2%	2%	3%	3%	3%	3%	2%	4%
Pathal Medicare Private Limited	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%
APL Institute of Clinical Laboratory & Research Private Limited	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Amolak Diagnostics Private Limited #	0%	0%	0%	0%	4%	6%	2%	4%	1%	0%
Medex Healthcare Private Limited #	0%	0%	0%	0%	0%	2%	-1%	2%	-2%	-1%
Sanya Chemicals Private Limited #	0%	0%	0%	0%	0%	1%	-1%	0%	-1%	-1%
Medicave Diagnostic Centre Private Limited #	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%
Minority Interests in subsidiaries	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* total assets minus total liabilities

Merged with the Parent Company pursuant to the Scheme of Amalgamation.

16. These consolidated financial statements have been prepared based on standalone statutory financial statements of the Parent Company and the subsidiary companies.

17. Figures pertaining to the subsidiaries have been reclassified wherever considered necessary to bring them in line with the Parent Company's financial statements.

18. The DLPL Group during the year has set up new/ acquired laboratories at various locations in India and some new patients' service centers at various locations. Hence, current year's figures are not strictly comparable with those of previous years.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.: 301003E

For and on behalf of the Board of Directors of
Dr. Lal PathLabs Limited
CIN No. U74899DL1995PLC065388

per Anil Gupta
Partner
Membership No. 87921

(Hony.) Brig. Dr. Arvind Lal Dr. Om Prakash Manchanda
[Chairman and Managing Director] [Director]

Place: Gurgaon
Date: August 28, 2015

Mr. Dilip Bidani
[Chief Financial Officer]

Mr. Rajat Kalra
[Company Secretary]

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our restated financial statements and related notes thereto and the report thereon appearing elsewhere in this Draft Red Herring Prospectus, and in the sections entitled "Financial Information" and "Selected Financial Information" on pages 196 and 52, respectively. Our restated consolidated and restated unconsolidated financial statements have been derived from our audited consolidated and unconsolidated financial statements prepared in accordance with Indian GAAP and the Companies Act, 2013, and restated in accordance with SEBI regulations. Indian GAAP differs in certain material respects with IFRS and U.S. GAAP. See the section entitled "Risk Factors—External Risks—Risks Relating to Doing Business in India—Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition" on page 40.

Certain data included in this section in relation to certain operating metrics, financial and other business information and data (such as the number of patients, clinical laboratories, patient service centers and pickup points, as well as gross revenue for various geographical segments, among others) have been reviewed and verified by Nangia & Co., third-party Chartered Accountants. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in or implied by any of the forward-looking statements as a result of various factors, including but not limited to those listed under the sections entitled "Risk Factors", "Our Business" and "Forward-Looking Statements" on pages 15, 134 and 13, respectively.

Overview

We are a provider of diagnostic and related healthcare tests and services in India. Through our integrated, nationwide network, we offer patients and healthcare providers a broad range of diagnostic and related healthcare tests and services for use in core testing, patient diagnosis and the prevention, monitoring and treatment of disease and other health conditions. Our customers include individual patients, hospitals and other healthcare providers and corporate customers. In Fiscal Year 2015, we collected and processed approximately 21.8 million samples from approximately 9.9 million patients.

Diagnostic healthcare testing is an essential element in the delivery of healthcare services, as it provides healthcare service providers with useful information for the diagnosis and treatment of diseases. According to CRISIL Research, the size of the Indian diagnostic healthcare services industry was approximately ₹ 377 billion (US\$6.0 billion) in Fiscal Year 2015, and it is projected to grow to over ₹ 600 billion (US\$9.6 billion) by Fiscal Year 2018. We believe that the increasing prescription of diagnostic tests and services by healthcare providers in India, combined with the growing focus on early detection and prevention of chronic and lifestyle diseases, such as diabetes, hypertension, heart disease and cancer, creates a significant market opportunity for us.

We focus on providing patients quality diagnostic and related healthcare tests and services. We believe our focus on the patient as a customer is a critical differentiator in the diagnostic and healthcare industries and, together with what we believe is our brand's recognition for quality diagnostic services, results in individuals and healthcare providers choosing us as their diagnostic healthcare service provider. This is because (i) in India, patients generally choose their diagnostic healthcare service provider and (ii) patients and healthcare providers seek quality healthcare service providers due to what we believe is a range in quality and reliability of diagnostic healthcare services in India. For example, from Fiscal Year 2013 to Fiscal Year 2015, walk-in patients to our clinical laboratories and patient service centers, as well as home collection patients, increased significantly and were a primary driver to our overall growth.

With over 3,368 diagnostic and related healthcare tests and services offered, we believe we are capable of performing substantially all of the diagnostic healthcare tests and services currently prescribed by physicians in India. Our diagnostic and related healthcare tests and services include (i) "routine" clinical laboratory tests — such as blood chemistry analyses and blood cell counts; (ii) "specialized" testing services — such as histopathology analyses, genetic marker-based tests, viral and bacterial cultures and infectious disease tests; and (iii) preventive testing services — such as screenings for hypertension, heart disease and diabetes. We perform these tests and services in our clinical laboratories using sophisticated and computerized instruments.

We have built a national, “hub and spoke” network that includes our National Reference Laboratory in New Delhi, 163 other clinical laboratories, 1,340 patient service centers and over 5,000 pickup points as of March 31, 2015. We believe our “hub and spoke” model, whereby specimens are collected across multiple locations within a region for delivery to a predesignated clinical laboratory for centralized diagnostic testing, provides greater economies of scale and offers a scalable platform for the continued growth of our business. Our network is present across India, including large cities such as New Delhi, Mumbai, Bengaluru, Chennai, Hyderabad and Kolkata. Our centralized information technology platform fully integrates our large network through a common logistics and payments system and tracks our operations and internal performance metrics, thereby enabling us to improve the efficiencies of our business.

Our management team has experience in the healthcare industry, and under their leadership, we have grown rapidly over the last several years. In Fiscal Year 2013 we collected 16.0 million samples from 7.7 million patients, which increased to 19.0 million samples from 9.0 million patients in Fiscal Year 2014 and to 21.8 million samples from 9.9 million patients in Fiscal Year 2015. From Fiscal Year 2013 to Fiscal Year 2015, (i) our total revenue grew from ₹ 4,544.77 million to ₹ 6,625.24 million, representing a CAGR of 20.7%; (ii) our EBITDA grew from ₹ 1,004.71 million to ₹ 1,588.87 million, representing a CAGR of 25.8%; (iii) our profit for the year grew from ₹ 556.47 million to ₹ 949.97 million, representing a CAGR of 30.7%; and (iv) our consolidated net worth increased from ₹ 1,620.54 million to ₹ 3,410.82 million.

Factors Affecting Our Results of Operations and Financial Condition

Number of Patients and Diagnostic Healthcare Tests

Among the most significant factors affecting our revenues are the number of patients we serve and the number of diagnostic healthcare tests we perform. From fiscal years 2011 to 2015, the number of patients we served as well as the number of diagnostic healthcare tests performed more than doubled, according to our estimates. We believe this growth is due to a number of factors, including the growth of the middle class in India – and the resulting increase in disposable income allocable to healthcare services, the increasing prevalence in India of long-term diseases such as hypertension, heart disease, cancer and diabetes, a shift from the unorganized testing sector to the organized testing sector, as well as greater awareness generally among Indians of the importance of preventive healthcare services. For example, over the past three Fiscal Years, we have experienced a significant increase in the number of diagnostic healthcare tests performed for Vitamin D deficiencies, diabetes and cardiac diseases. We also believe this growth is due to the overall expansion of the geographic reach of our network: between Fiscal Year 2013 and Fiscal Year 2015, we increased the number of our patient service centers from 824 to 1,340, an increase of 62.6%. The number of patients we serve and of diagnostic tests we perform are also dependent on our ability to maintain the reputation of our “Dr Lal PathLabs” brand, which could be impacted by several factors, including our ability to maintain or improve the quality and efficiency of our existing diagnostic healthcare services and the performance of our franchisees and business partners, to introduce new tests and services with the same levels of quality and efficiency and to maintain good relationships with healthcare professionals and other healthcare providers. While we expect our number of patients served and diagnostic healthcare tests performed to grow in conjunction with the continued growth of the Indian economy and the expansion of our network, greater competition – particularly from large diagnostic healthcare networks who also are engaging in rapid geographic expansions into the markets in which we currently, and plan to, operate, and from aggregation-focused technology platforms – could adversely impact the rate of growth of our patients served and diagnostic healthcare tests performed.

The Cycle of Opening Clinical Laboratories and New Patient Service Centers

Our results of operations and financial condition are affected by the cycle of opening and developing new clinical laboratories and patient service centers as a function of the growth of our network. This cycle involves opening new clinical laboratories, including regional reference laboratories, and patient service centers in locations in which we already operate, or in new locations, and optimizing patient service centers that join us as franchisees. The process that precedes opening a clinical laboratory and/or patient service center includes a variety of studies to identify the most suitable location, and takes into account, among other factors (i) the target population in the region; (ii) the availability of suitable real estate to establish a new facility; (iii) our ability to develop efficiently our brand recognition with healthcare providers in that area; and (iv) local legislation, especially with respect to how quickly

we can obtain the necessary operating licenses and permits. Significant capital investments are necessary to construct clinical laboratories, particularly regional reference laboratories – due to their size, both during the period of their construction as well as the initial post-opening period, during which a clinical laboratory is being fully-integrated into our network. The time taken to open a clinical laboratory or patient service center and the gestation period which follows the opening of such a facility vary depending on a number of factors —such as the particular geographic area and customer awareness of our brand in that area —such that a meaningful quantum of time may be required before a new facility achieves operating efficiencies comparable to that of facilities already within our network. This gestation period can result in a divergence between the future revenue-production of a new clinical laboratory or patient service center and the current expenses – such as rent and employee-related expenses – being incurred in connection with its opening, thereby affecting our EBITDA and profit margins and profitability generally. Going forward, we believe that our strategy to significantly increase the number of patient service centers in our network may amplify the impact of this gestation period-divergence on our results of operations. See the section entitled *“Risk Factors—Internal Risks—Risks Relating to Our Company—We may not realize the anticipated benefits of our strategy to increase the presence of our network across India as well as of potential future investments or acquisitions, which, in turn, may adversely impact our results of operations. Moreover, our growth strategy of opening several new clinical laboratories and patient service centers may amplify the impact on our results of operations and financial condition, immediately following this offering, of the cycle of opening and developing new clinical laboratories and patient centers”* on page 17.

Expansion of Our Retail/“Walk-In” Customer Base

Our revenues and profit margins also are affected by the growth of our retail customers – which includes walk-in customers, home collection customers and corporate customers. We view walk-in and home collection customers as an important long-term growth driver of our business, as we generally are able to derive a higher realization as a function of higher revenues per patient and higher profit margins from the services we provide them, in comparison to those derived from pickup points or corporate customers, with whom we have negotiated lower volume-based rates. We believe growth in this customer segment is due to a number of factors, including our “Dr. Lal PathLabs” brand being associated with high-quality diagnostic healthcare services, the breadth of diagnostic healthcare tests we offer, our fast turnaround times, our commitment to the customer experience and the geographic reach of our network – particularly in our core markets of North, Central and Eastern India. With the aim of growing our retail customer base we also promote various health checkup packages targeted at different age and gender groups and have launched our online initiatives to provide new and convenient methods of access to information. We believe these will help in increasing customer retention, improve revenue realization per patient and offer opportunity for the cross-selling of our services. We plan to continue to grow our retail customer base by emphasizing the quality of our diagnostic healthcare services, including through use of various marketing and communication strategies that we believe will further enhance customer aware of our brand. Going forward, in addition to the historic drivers of our retail customer growth, we believe our strategy to expand our network further within our core and other markets, as well as to expand into other Indian markets through strategic acquisitions, will provide opportunities to increase our retail customer base.

Cost of Reagents, Consumables, Chemicals and Laboratory Supplies

Costs of medical consumables, which include the reagents, chemicals and other consumables used in our diagnostic healthcare services and tests, has been our largest expense, representing 25.6%, 22.2%, 21.4%, 21.0% and 21.0% of our total revenues for Fiscal Years 2011, 2012, 2013, 2014 and 2015, respectively. As a percentage of our total revenues, costs of medical consumables, chemicals and laboratory supplies decreased from Fiscal Years 2011 to 2015 primarily as a result of (i) greater economies of scale we achieved as the number of diagnostic healthcare tests and services we performed grew, which enabled us to process our diagnostic healthcare tests and services more efficiently and at lower cost, in turn, making our clinical laboratories more cost-efficient and (ii) our enhanced bargaining power with our suppliers. We also believe that the establishment of centralized systems for the procurement and management of reagents and consumables has helped lower our costs of reagents, consumables, chemicals and laboratory supplies as a percentage of our total revenues. Going forward, we believe the continued growth of our network and our number of diagnostic healthcare tests and services performed should continue to yield increased economies of scale. However, we believe our aggregate costs of reagents, consumables, chemicals and laboratory supplies could increase at a greater than historical rate due to our contemplated expansion, as operating new laboratories and patient service centers entail higher associated consumable costs. Similarly, while we

are not heavily dependent on any single supplier for our supply of reagents, reagent suppliers across India may meaningfully increase the price of consumables due to the depreciation of the Indian Rupee. The depreciation of the Indian Rupee has increased suppliers' procurement costs for foreign-produced consumables-ingredients, which may prompt them to renegotiate our supply contracts and increase the costs of our consumables. See the section entitled "*Quantitative and Qualitative Analysis of Market Risk—Exchange Rate Risk*" on page 354.

Seasonality and Other Factors Beyond our Control That Affect our Results of Operations

Our revenues and results of operations have fluctuated in the past and may continue to fluctuate significantly due to seasonal and other factors. For example, our revenues have been impacted during periods of infectious disease outbreaks, which resulted in increased demand for specialized diagnostic tests that were necessary to diagnose this influenza strain. Our results also are impacted by "change of weather" seasonality, such as in the monsoon season, during which there is greater prevalence of malaria and dengue, as well as gastrointestinal and respiratory diseases, resulting in increased diagnostic healthcare testing volumes. In addition, we typically experience slower revenue growth during December and January, when the temperature and humidity are lower and the prevalence of certain diseases which benefit from warmer and more humid weather generally decreases. On the other hand, certain of our expenses are less impacted by seasonal factors, as a significant portion of our costs and expenses – such as personnel expense and rent – are fixed, unlike our costs of medical consumables. We expect such seasonal patterns in our results of operations to continue in the foreseeable future. Moreover, going forward, we believe it possible that government authorities could impose price caps on specific diagnostic healthcare tests during future infectious disease outbreaks, which could adversely impact our results of operations.

Critical Accounting Policies

Our financial statements are prepared under the historic cost convention on an accrual and going concern basis, in compliance with the accounting standards issued by the Institute of Chartered Accountants of India, in accordance with generally accepted accounting principles in India, and applicable provisions of the Companies Act, 1956 and the Companies Act, 2013. The preparation of financial statements requires us to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues, expenses and related disclosures of contingent assets and liabilities. Critical accounting policies are those accounting policies that reflect significant judgments, and that may lead to materially different results under different assumptions and conditions. We review estimates and underlying assumptions on an ongoing basis and recognize any revisions to these accounting estimates in the financial period in which the estimates are revised, and in any future periods affected. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The most significant of our critical accounting policies are set out below.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Laboratory income

Revenue consists of the amount billed (net of discounts) in respect of tests conducted, and is recognized as and when the samples are registered for the purpose of conducting the tests, which usually takes not more than 48 hours.

Interest

Interest income is recognized on a time proportion basis, taking into account the amount outstanding and the applicable interest rate. Interest income is shown separately in the statement of profit and loss.

Income from units in mutual funds

Dividends from units in mutual funds are recognized when the right to receive payment is established by the balance sheet date. Income on investments made in the units of fixed maturity plans of mutual funds is recognized based on the yield earned, and to the extent of reasonable certainty.

Depreciation on tangible fixed assets

Leasehold improvements are depreciated over the useful lives of the assets or the unexpired lease period, whichever, is lower. Based on the same, leasehold improvements are depreciated over the period of four to ten years. The leasehold land at Kolkata is depreciated over the lease period of 99 years. Depreciation on second-hand plant and machinery has been provided over their remaining useful life of five to six years, and depreciation on second-hand computers (excluding server and networks) has been provided over their remaining useful life of three years on a written-down value basis, as estimated by our management. Depreciation on furniture and fixtures is provided using the straight-line method at the rate of 20%, based on technical estimates of useful life. However, during Fiscal Year 2014, two of the entities acquired through the scheme of amalgamation provided depreciation on furniture and fixtures using the written-down value method at the rates prescribed under Schedule XIV of the Companies Act, 1956, (0.06% of total net block of tangible fixed assets as at March 31, 2014 and 0.05% of the total depreciation charge for Fiscal Year 2014). Depreciation on all other fixed assets is provided using the written-down value method at the rates computed based on the useful lives of the assets, as estimated by our management.

Intangible assets

Intangible assets acquired separately are measured upon initial recognition at cost. The cost of intangible assets acquired at the purchase of a business is recorded at their fair value as at the date of the purchase. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and the corresponding expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Computer software is amortized using the straight-line method over its useful life, which does not exceed five years. Goodwill and trademarks are amortized using the straight-line method over a period of five years, starting from the date of acquisition of the respective laboratory or business. Goodwill arising from the scheme of amalgamation is amortized on a straight-line basis over a period of five years.

Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or

groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining the net selling price, recent market transactions are taken into account, if available, and if no such transactions can be identified, an appropriate valuation model is used.

Leases - Where the Company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried in our financial statements at the lower of cost and fair value, as determined on an individual investment basis. Long-term investments are carried at cost. However, provisions for any diminutions in value are made to recognize a decline other than a temporary decline in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Inventories

Inventories consist of reagents, chemicals, surgical and laboratory supplies, stores and others, and are valued at the lower of cost and net realizable value. Cost is determined on a moving weighted-average basis.

Foreign currency translation

Initial recognition. Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion. Foreign currency monetary items are re-translated using the exchange rate prevailing on the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or another similar valuation denominated in a foreign currency, are translated using the exchange rate prevailing on the date when such value was determined.

Exchange Differences. Exchange differences arising upon the settlement of monetary items or upon reporting the Company's monetary items at rates different from those at which they were initially recorded during the year or those reported in previous financial statements are recognized as income or as expenses in the year in which they arise.

Retirement and other employee benefits

Retirement benefits in the form of provident fund is a defined contribution scheme. The Company has no obligations other than the contribution payable to the provident fund. The Company recognizes the contribution payable to the provident fund scheme as an expenditure when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then the excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payments or a cash refund.

The Company operates a defined benefit plan for its employees, namely, gratuity liability. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at the end of each year. The actuarial valuation is carried out for the plan using the projected-unit credit method. Actuarial gains and losses for the defined benefit plan are recognized in full in the statement of profit and loss for the period in which they occur.

Accumulated leave expected to be utilized within the next 12 months is treated as a short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated as of the reporting date.

The Company treats accumulated leave expected to be carried forward beyond 12 months as a long-term employee benefit for measurement purposes. Such long-term, compensated absences are provided for based on an actuarial valuation using the projected-unit credit method at the end of the year. Actuarial gains and losses are immediately reflected in the statement of profit and loss, and are not deferred. The Company presents the entire accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer settlement for 12 months after the reporting date.

Employee stock compensation cost

Measurement and disclosure of the employee share-based payment plans are performed in accordance with the Guidance Note on Accounting for Employee Share-based payments issued by the Institute of Chartered Accountants of India. The Company measures compensation costs relating to employee stock options using the fair value method. Such compensation cost is charged off to the statement of profit and loss in the year the options were granted. Compensation expense resulted due to cash settled scheme, if any, is amortized over the vesting period of the options.

Income Taxes

Tax expense is comprised of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961, enacted in India. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities, and deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the Indian Income Tax Act, 1961. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available, against which such deferred tax assets can be realized. In situations where the Company (within the Group Companies) has unabsorbed depreciation or carry-forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date, the Company (within the Group Companies) re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available, against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company (within the Group Companies) writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

A minimum alternate tax ("MAT") credit is recognized as an asset only when, and to the extent that, there is convincing evidence that the Company (within the Group Companies) will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company (within our Group Companies) reviews the MAT credit at each balance sheet date and writes down

the carrying amount of the MAT Credit Entitlement to the extent that there is no longer convincing evidence to the effect that company (within our Group Companies) will pay normal income tax during the specified period.

Expenditure on new projects

Expenditures directly relating to construction activity are capitalized. Indirect expenditures incurred during a construction period are capitalized as part of the indirect construction cost to the extent that the expenditures are specifically attributable to a construction project. Other expenditures (including borrowing costs) incurred during the construction period that are not related to the construction activity, nor are incidental thereto, are charged to the statement of profit and loss.

Provisions

A provision is recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company, or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Basis of preparation

The restated consolidated and unconsolidated summary statements of assets and liabilities of the Company as at March 31, 2015, 2014, 2013, 2012 and 2011 and the related consolidated and unconsolidated summary statements of profits and losses and cash flows Statement for Fiscal Years 2015, 2014, 2013, 2012 and 2011 (collectively referred to as the “Restated Financial Statements”) have been compiled by the management from the audited consolidated and unconsolidated financial statements of the Company for Fiscal Years 2015, 2014, 2013, 2012 and 2011.

The financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India. The consolidated and unconsolidated financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years. The restated consolidated and unconsolidated financial statements of the Company for Fiscal Years 2015, 2014, 2013, 2012 and 2011 have been prepared using the historical audited general purpose financial statements of the Company for Fiscal years 2015, 2014, 2013, 2012 and 2011, respectively, which were prepared under Indian GAAP and originally approved by our Board of Directors at that relevant time.

The restated consolidated and unconsolidated summary statements of assets and liabilities, profit and losses and cash flows have been prepared to comply in all material respects with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (I) of Section 26 of Chapter II of the Companies Act, 2013, read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended from time to time.

Notes on Material Adjustments

Below is the summary of the results of adjustments made in the audited financial statements of the respective years and its impact on the restated consolidated summary statement of profit and loss, and restated consolidated statement of assets and liabilities.

Particulars	Year ended March 31,				
	2015	2014	2013	2012	2011
Profit after tax (as per audited financial statements)	956.83	630.90	709.77	454.05	289.85
Restatement Adjustments:					
Unspent liability/ miscellaneous balances written back	(0.20)	(2.00)	-	(0.71)	(13.00)
Reversal of finance expense	-	0.20	0.08	0.82	1.10
Tax adjustments for earlier years	(25.60)	15.80	(0.28)	0.07	12.27
Deferred tax adjustments for earlier years	11.41	(9.22)	-	(2.19)	-
Prior period items	-	255.87	(249.44)	(6.43)	-
Reversal of provision for impairment of goodwill	-	(8.71)	-	-	-
Depreciation/amortization	-	-	9.48	(1.32)	(2.26)
Total Adjustments – add/(less)	(14.39)	251.94	(240.16)	(9.77)	(1.89)
Tax rate	33.99%	33.99%	32.45%	32.45%	33.22%
Current tax impact	-	-	-	(0.23)	(0.97)
Deferred tax impact	-	86.97	(81.71)	(2.62)	(2.27)
Profit after tax, as restated	942.44	795.87	551.32	447.14	291.20

A reconciliation between the surplus in the statement of profit and loss as per the audited consolidated financial statements and the surplus in the restated statement of profit and loss, as at April 1, 2010 is provided below:

Particulars	(₹ million)
Profit and loss appropriation account as at April 1, 2010, as per audited financials	323.76
Adjustments:	
Unspent liability/ miscellaneous balances written back	13.71
Tax adjustments for earlier years	(2.26)
Current tax liability	(1.20)
Deferred tax	0.37
Reversal of provision for impairment of goodwill	8.71
Depreciation	(5.90)
Profit and loss appropriation account as at April 1, 2010, as restated	337.19

During the Fiscal Years 2015, 2014, 2013, 2012 and 2011, the Group reversed certain liabilities which were considered as no longer payable and recognized this as "Other income." Since, these were relating to earlier years, the reversal has now been reflected in the respective years in which the liability was created. Reversal of finance expense reflects a reversal of an excess provision for interest on income tax during Fiscal Years 2011 to 2014 of ₹ 2.2 million in the respective years in which the liability was created. During Fiscal Year 2015, we merged certain subsidiaries pursuant to the Scheme of Amalgamation with effect from April 1, 2013. Hence, the resulting impact of amalgamation on current and deferred tax has been restated in the respective year for which the amount relates to. Consequent to the completion of income tax assessments for certain years, the Company paid additional taxes or received refunds that were recorded in the year of the completion of such assessments. As these were relating to earlier years, the effect of the tax assessments has been accounted for in the financial year for which the amount relates to. During Fiscal Year 2015, we reversed a deferred tax asset relating to Fiscal Years 2014 and 2012. Accordingly, the adjustment has been reflected in the relevant Fiscal Years. The ESOP 2010 provides for an exit route to the employees until our Equity Shares are listed on a recognized stock exchange, whereby the employees may offer to sell the Equity Shares to the Dr. Lal Pathlabs Pvt. Ltd. Welfare Trust at the fair value as on the date of application or as provided in the ESOP Plan. During Fiscal Year 2014, we reassessed the ESOP Scheme on a cash-settled basis as opposed to the equity-settled basis used in the financial statements of earlier years. As a result of this, we accounted for an additional compensation cost of ₹ 411.33 million in Fiscal Year 2014, which includes ₹

255.87 million for earlier years. As the compensation cost related to earlier years, the adjustment has been reflected in the financial statements of the respective year to which the cost pertained. During Fiscal Year 2014, a provision for the impairment of goodwill in respect of Sanya Chemicals Limited was reversed based on the profits earned during Fiscal Year 2014 and on future profitability projections. Since this pertains to earlier years, the reversal has now been reflected in the respective years in which the provision was created. On April 1, 2012 two subsidiary companies changed (with retroactive effect) their method of providing depreciation on tangible fixed assets (except furniture and fixtures) from a straight-line method at the rate prescribed in Schedule XIV to the Companies Act, 1956, to the written-down value method at the rate prescribed in Schedule XIV to the Companies Act, 1956. The impact on depreciation expense relating to assets due to the change in the depreciation method from the straight-line method to the written-down value method has been adjusted in the respective years.

Non-adjusted items

The Emphasis of Matter in the auditor's report on our consolidated financial statements for Fiscal Years 2012 and 2011, which do not require any quantitative adjustment in the restated consolidated financial statements, included the Emphasis of Matter in respect of recognition and carrying forward of goodwill in respect of Medex Healthcare Private Limited, a wholly owned subsidiary of the Company. Based on the financial statements of Medex Healthcare Private Limited for the years ended March 31, 2011 and March 31, 2012, their net worth was substantially lower than our investment in that subsidiary. No provision for impairment was made against the above in view of strategic long-term investments of the Company in this subsidiary, its future profitable projections and/or the fair value of this entity as at March 31, 2012 and March 31, 2011. There are qualifications in the Annexure to the Auditor's report on the financial statements of the Company for Fiscal Year 2015, which do not require any quantitative adjustment in the restated summary financial statements in respect of a slight delay in the deposit of certain undisputed statutory dues and disputed income tax dues outstanding of ₹ 0.20 million.

Material Regrouping

With effect from April 1, 2014, Schedule III notified under the Companies Act, 2013, has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Schedule III of the Companies Act, 2013, does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on the presentation and disclosures made in the financial statements for Fiscal year 2011. Accordingly, the Company has reclassified the figures for Fiscal Year 2011 in accordance with the requirements applicable for Fiscal Year 2015. Appropriate adjustments have been made in the restated summary financial statements of assets and liabilities, profit and losses 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 audited financials of the Company as at and for the year ended March 31, 2015, prepared in accordance with Schedule III of the Companies Act, 2013, and the requirements of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

Description of the Main Line Items of Our Income Statement

Revenue from operations

Our revenue from operations is mainly composed of payments we receive from patients and healthcare providers, including private laboratories, hospital laboratories, clinics, nursing homes, physicians and physician groups, as a result of our provision of diagnostic and preventive and related healthcare services, as well as payments from corporate and institutional customers and hospital lab management fees. We also receive a de minimis amount of revenue from our sales of scrap equipment.

For the years ended March 31, 2015, 2014 and 2013, our revenue from operations was ₹ 6,595.90 million, ₹ 5,579.47 million and ₹ 4,516.61 million, respectively, all of which were from the sale of services.

Other Income. Our other income is mainly composed of dividend income we receive from investments and our subsidiaries, as well as income from recovered bad debts. For the years ended March 31, 2015, 2014 and 2013, our other income represented 0.4%, 0.4% and 0.6%, respectively, of our revenue from operations.

Expenses

Our cost of services is mainly composed of fixed and variable costs related to the operations of our clinical laboratories, including the National Reference Laboratory, and our patient service centers, in connection with the performance of clinical tests and procedures of diagnostic imaging and other specialties. For the years ended March 31, 2015, 2014 and 2013, our expenses were ₹ 5,036.37 million, ₹ 4,193.94 million and ₹ 3,540.06 million, respectively, or 76.0%, 74.9% and 77.9% of our revenue from operations.

Cost of reagents, chemicals, surgicals and laboratory supplies consumed. Costs of supplies consumed include consumable medical supplies, supplies used in specimen collection, and other consumables used in the testing process, and include customs duty and freight charges. Our most significant costs include the costs for materials consumed in retrieving samples, as well as reagents and other consumables used in the testing process. We expect materials consumed to increase in absolute terms as we continue to expand our network and prices for consumables increase. However, as we expand our network and our existing laboratories mature, materials consumed could represent an increased or decreased percentage of our total income depending on our service mix. For example, specialized tests tend to have higher materials consumed costs than other, more routine, procedures.

Employee benefits expense. Employee benefits expense consists primarily of salaries, wages and bonus payments, employee stock-based compensation, statutory gratuities, leave staff encashment, contributions to the statutory provident and other funds, as well as staff welfare expenses. In the future, we expect employee benefits to increase in absolute terms, as a result of both growth in our business and upward pressure on salaries for healthcare professionals. Opening new laboratory facilities requires us to install a full complement of professionals and technicians even if testing rates have not yet reached targeted capacity levels. As a result of ramping-up our staffing levels at new laboratory facilities, particularly at regional reference laboratories where staffing levels are meaningfully higher, in anticipation of higher patient numbers in the future, personnel expenses will represent a higher percentage of income in respect of a newly acquired or owned laboratory before it reaches maturity. This will decline as patient numbers and manpower utilization rates increase at a laboratory. During periods of expansion in which newly acquired or opened owned laboratories make up a significant part of our portfolio, personnel expenses will represent a higher percentage of our revenue from operations.

Other Expenses. Our other expenses consist primarily of fees to franchisee patient service centers, rental expenses, retainer fees to technical consultants, advertisement and sales promotion expenses, electricity and water charges, postage and courier fees, traveling and conveyance fees, repairs and maintenance, legal and professional charges and other miscellaneous expenses. In addition, our other expenses include expenses related to periodic remodeling and refurbishing we undertake at our patient service centers. As we expand our business, we expect operating expenses will continue to increase correspondingly in absolute terms. Much of the infrastructure for a laboratory must be put in place when a laboratory commences operations and many operating expenses are required to be incurred regardless of testing levels, and thus initially, operating expenses will represent a higher percentage of a laboratory's total income until patient numbers reach targeted levels during our growth stage.

We process clinical tests mainly in our clinical laboratories. Except with respect to the costs of materials and reagents, which are directly related to the numbers of clinical tests we process, we benefit from economies of scale resulting from our business model, which seeks to take efficient advantage of the services of our medical and technical teams.

Depreciation and Amortization. Our expenses also include (i) depreciation expenses for medical and laboratory equipment that we purchased for business, and (ii) amortization costs for our intangible assets, including goodwill, trademarks and software. For the years ended March 31, 2015, 2014 and 2013, our depreciation and amortization expenses were ₹ 281.90 million, ₹ 272.29 million and ₹ 203.98 million, respectively.

Finance costs. Finance costs are primarily composed of interest paid on loans. Over the past three Fiscal Years our finance costs have not been a significant expense for us. We may incur additional indebtedness in the future to help finance our expansion plans, which would increase our finance costs.

Taxes

For details regarding the taxation and regulatory environments in which the Company operates, see the sections entitled “*Statement of Tax Benefits*” and “*Regulations and Policies*” beginning on pages 96 and 150, respectively.

Results of Operations

	Year ended March 31,					
	2015	Percentage of Total Revenue	2014	Percentage of Total Revenue	2013	Percentage of Total Revenue
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Income						
Revenue from operations.....	6,595.90	99.6%	5,579.47	99.6%	4,516.61	99.4%
Other income	29.34	0.4%	22.42	0.4%	28.16	0.6%
Total revenue (A).....	6,625.24	100.0%	5,601.89	100.0%	4,544.77	100.0%
Expenses						
Cost of Reagents, chemicals, surgicals and laboratory supplies consumed.....	(1,391.58)	(21.0%)	(1,176.60)	(21.0%)	(972.99)	(21.4%)
Employee benefit expenses	(1,343.89)	(20.3%)	(1,015.70)	(18.1%)	(937.95)	(20.6%)
Other expenses	(2,300.90)	(34.7%)	(2,001.64)	(35.7%)	(1,629.12)	(35.8%)
Total expenses (B).....	(5,036.37)	(76.0%)	(4,193.94)	(74.9%)	(3,540.06)	(77.9%)
Earnings before interest, tax, depreciation and amortization (EBITDA) (A) – (B)	1,588.87	24.0%	1,407.95	25.1%	1,004.71	22.1%
Depreciation and amortization expense.....	(281.90)	(4.3%)	(272.29)	(4.9%)	(203.98)	(4.5%)
Interest Income	94.06	1.4%	58.38	1.0%	5.67	0.1%
Finance costs	(4.05)	(0.1%)	(1.98)	(0.0%)	(4.39)	(0.1%)
Profit before tax, as restated...	1,396.98	21.1%	1,192.06	21.3%	802.01	17.6%
Tax expenses						
Current tax.....	(504.95)	(7.6%)	(459.70)	(8.2%)	(347.71)	(7.7%)
Deferred tax (charge) / credit.....	57.94	0.9%	70.27	1.3%	102.17	2.2%
Total tax expense	(447.01)	(6.7%)	(389.43)	(7.0%)	(245.54)	(5.4%)
Profit for the year, as restated..	949.97	14.3%	802.63	14.3%	556.47	12.2%
Profit attributable to:						
- Owners of the Parent.....	942.44	14.2%	795.87	14.2%	551.32	12.1%
- Shares of Minority interest in profits.....	7.53	0.1%	6.76	0.1%	5.15	0.1%
- Total	949.97	14.3%	802.63	14.3%	556.47	12.2%

Year Ended March 31, 2015 Compared to Year Ended March 31, 2014

Revenue from Operations

Our revenue from operations increased 18.2%, from ₹ 5,579.47 million in Fiscal Year 2014 to ₹ 6,595.90 million in Fiscal Year 2015. The increase was mainly due to an increase in the number of patients we served and samples we collected and processed as well as the mix of services provided. The number of samples collected and processed in Fiscal Year 2015 increased 12.6% from 19.0 million in Fiscal Year 2014 to 21.8 million in Fiscal Year 2015. The increase in the number of patients served and samples collected and processed was primarily driven by our overall growth, including additional revenue generated from certain clinical laboratories and patient service centers that

were opened in prior periods and which started to achieve, in accordance with our gestation period for such facilities, a level of customer traffic that was more comparable with established facilities within our network. The mix of services sold was also an important driver as certain tests and packages included fewer discounted panels, and there was increased demand for “higher-end” tests, which often enjoy better margins and revenue realization per patient. The percentage increase in our revenue from operations in Fiscal Year 2015 was lesser than that experienced in Fiscal Year 2014 as the full-year impact of certain acquisitions made in Fiscal Year 2013 was first accounted for in Fiscal Year 2014 and our growth in the Delhi NCR area stabilized in Fiscal Year 2015.

Other Income

Other income increased 30.9%, from ₹ 22.42 million in Fiscal Year 2014 to ₹ 29.34 million in Fiscal Year 2015. The increase was mainly due to an increase in dividend income. As a percentage of revenue from operations, other income remained at 0.4% of revenue from operations in both Fiscal Years 2014 and 2015.

Total Revenue

As a result of the foregoing factors, our total revenue increased 18.3%, from ₹ 5,601.89 million in Fiscal Year 2014 to ₹ 6,625.24 million in Fiscal Year 2015.

Total Expenses

Our total expenses increased 20.1%, from ₹ 4,193.94 million in Fiscal Year 2014 to ₹ 5,036.37 million in Fiscal Year 2015. As a percentage of total revenue, our total expenses increased from 74.9% in Fiscal Year 2014 to 76.0% in Fiscal Year 2015. The table below shows the breakdown by area of our costs of services:

	Year ended March 31,			
	2015	Revenue	2014	Revenue
	(₹ million)	(%)	(₹ million)	(%)
Cost of Reagents, chemicals, surgicals and laboratory supplies consumed.....	(1,391.58)	(21.0)	(1,176.60)	(21.0)
Employee benefit expenses.....	(1,343.89)	(20.3)	(1,015.70)	(18.1)
Other expenses.....	(2,300.90)	(34.7)	(2,001.64)	(35.7)

The increase in our cost of services was mainly due to the following increases:

Cost of reagents, chemicals, surgicals and laboratory supplies consumed. Cost of reagents, chemicals, surgicals and laboratory supplies consumed increased 18.3%, from ₹ 1,176.60 million in Fiscal Year 2014 to ₹ 1,391.58 million in Fiscal Year 2015. The increase was substantially in line with our revenue growth and driven primarily by the increase in total number of tests processed and the mix of services provided. These expenses represent our largest variable cost. The increase in this cost was partially offset by an increase in efficiencies due to the overall growth of our business, and to a lesser extent, by lower consumable rates negotiated with certain suppliers.

Employee benefit expenses. Employee benefit expenses increased 32.3%, from ₹ 1,015.70 million in Fiscal Year 2014 to ₹ 1,343.89 million in Fiscal Year 2015. The increase was mainly due to the opening of additional clinical laboratories and patient service centers and annual increments in employee salaries, as well as an upward mark-to-market adjustment of stock options granted in prior periods under our employee stock option plan and additional provisioning as a result of stock options vesting in Fiscal Year 2015 under ESOP 2010 and ESPS 2015.

Other expenses. Other expenses increased 15.0%, from ₹ 2,001.64 million in Fiscal Year 2014 to ₹ 2,300.90 million in Fiscal Year 2015. The increase was mainly due to (i) an increase in rent expenses as a result of lease renewals with higher rental rates, customary rent escalation in existing leases and the general growth of our business; (ii) an increase in fees to patient service centers, which was largely in-line with our overall business growth; (iii) an increase in retainerhip fees to technical consultants due to an increase in our use of physicians; (iv) an overall increase in expenses due to the simultaneous operation of two corporate offices as we relocated to our new corporate offices in 2015; and (v) the addition of new franchise partners with whom we share certain employee-related expenses.

Going forward, we believe the continued growth of our network and our number of diagnostic healthcare tests and services performed should continue to yield increased economies of scale. However, we believe our aggregate expenses, including costs of reagents consumables, chemicals and laboratory supplies, employee benefit expenses and other expenses, could increase in the near- to mid-term at a greater than historical rate due to our contemplated expansion, as operating new clinical laboratories, including new regional reference laboratories, and patient service centers entail higher associated costs. The gestation period between the opening and profitability of new clinical laboratories and patient service centers can result in a divergence between the future revenue-production and the expenses being incurred in connection with the opening of new facilities, thereby affecting our margins and profitability generally. For example, despite the fact that we try to negotiate 60 to 90 days of rent-free periods for new leases, a new clinical laboratory or patient service center may take up to 48 months to become profitable. Over that period our rental expense may be disproportionately large compared to the associated revenue generated by that clinical laboratory or patient service center. Similarly, in order to operate new facilities we must necessarily incur employee and staff costs at a level that allows us to maintain our quality and service standards regardless of the level of revenue being generated in those facilities over their gestation period. We also expect reagent suppliers across India to meaningfully increase the price of consumables, due to the depreciation of the Indian Rupee, which has increased their procurement costs of foreign-produced consumables-ingredients, which in turn may prompt them to renegotiate our supply contracts and increase the costs of our consumables. See the sections entitled “—Quantitative and Qualitative Analysis of Market Risk—Exchange Rate Risk,” “—Factors Affecting Our Results of Operations and Financial Condition—The Cycle of Opening Clinical Laboratories and New Patient Service Centers” and “Risk Factors—Internal Risks—Risks Relating to Our Company— We may not realize the anticipated benefits of our strategy to increase the presence of our network across India as well as of potential future investments or acquisitions, which, in turn, may adversely impact our results of operations. Moreover, our growth strategy of opening several new clinical laboratories, including one or more regional reference laboratories, and new patient service centers, may amplify the impact on our results of operations and financial condition, immediately following this offering, of the cycle of opening and developing new clinical laboratories and patient centers” on pages 354, 336 and 17, respectively.

EBITDA

Our EBITDA increased 12.8%, from ₹ 1,407.95 million in Fiscal Year 2014 to ₹ 1,588.87 million in Fiscal Year 2015. The increase was due to the factors discussed above. As a percentage of total revenue, our EBITDA decreased from 25.1% in Fiscal Year 2014 to 24.0% in Fiscal Year 2015.

Additional pre-tax items

The table below shows the breakdown of certain other statement profit and loss other line-items:

	Year ended March 31,			
	2015	Revenue	2014	Revenue
	(₹ million)	(%)	(₹ million)	(%)
Depreciation and amortization expense	(281.90)	(4.3)	(272.29)	(4.9)
Interest Income	94.06	1.4	58.38	1.0
Finance costs.....	(4.05)	(0.1)	(1.98)	(0.0)

Depreciation and amortization expense. Our depreciation and amortization expenses increased slightly by 3.5%, from ₹ 272.29 million in Fiscal Year 2014 to ₹ 281.90 million in Fiscal Year 2015. The increase was mainly due to an increase in amortization of intangible assets, which was partially offset by a slight decrease in depreciation of tangible assets.

Interest Income. Interest income increased from ₹ 58.38 million in Fiscal Year 2014 to ₹ 94.06 million in Fiscal Year 2015. The increase was mainly due to a change in the investment mix of our surplus cash, resulting in an increase in our term deposits with banks, which earn interest income.

Finance costs. Finance costs increased from ₹ 1.98 million in Fiscal Year 2014 to ₹ 4.05 million in Fiscal Year 2015.

Total tax expenses

Our total tax expenses increased 14.8% from ₹ 389.43 million in Fiscal Year 2014 to ₹ 447.01 million in Fiscal Year 2015. The increase was primarily due to an increase in taxable profit and a decrease in deferred tax credits in connection with our employee stock option plan.

Profit for the year

Our profit for the year increased 18.4%, from ₹ 802.63 million in Fiscal Year 2014 to ₹ 949.97 million in Fiscal Year 2015. The increase was due to the factors discussed above. As a percentage of total revenue, our profit remained at 14.3% of revenue in both of Fiscal Years 2014 and 2015.

Year Ended March 31, 2014 Compared to Year Ended March 31, 2013

Revenue from Operations

Our revenue from operations increased 23.5%, from ₹ 4,516.61 million in Fiscal Year 2013 to ₹ 5,579.47 million in Fiscal Year 2014 primarily as a result of price increases in our services and the mix of services sold. Price increases were mainly driven by general inflationary adjustments. In addition, certain tests and packages included fewer discounted panels or redesigned panels that improved our revenue realization per patient. The increase in revenue from operations was also partially driven by a 18.7% increase in the total volume of samples collected and processed, from 16.0 million in Fiscal Year 2013 to 19.0 million in Fiscal Year 2014, which was in turn driven by our overall growth, including additional revenue generated from certain clinical laboratories and patient service centers that were opened in prior periods and reached a level of customer traffic that materially contributed to our revenue. In Fiscal Year 2014 we also had the full-year impact of revenue generated by certain acquisitions made in Fiscal Year 2013. The increase in revenue from operations was partially offset by price decreases in a few selected regions that were implemented with the aim of increasing penetration in those markets.

Other Income

Other income decreased 20.4%, from ₹ 28.16 million in Fiscal Year 2013 to ₹ 22.42 million in Fiscal Year 2014. The decrease was mainly due to a decrease in dividend income received in Fiscal Year 2014.

Total Revenue

As a result of the foregoing factors, our total revenue increased 23.3%, from ₹ 4,544.77 million in Fiscal Year 2013 to ₹ 5,601.89 million in Fiscal Year 2014.

Total Expenses

Our total expenses increased 18.5%, from ₹ 3,540.06 million in Fiscal Year 2013 to ₹ 4,193.94 million in Fiscal Year 2014. As a percentage of total revenue, our total expenses decreased from 77.9% in Fiscal Year 2013 to 74.9% in Fiscal Year 2014. The table below shows the breakdown of our total expenses.

	Year ended March 31,			
	2014	Revenue	2013	Revenue
	(₹ million)	(%)	(₹ million)	(%)
Cost of Reagents, chemicals, surgicals and laboratory supplies consumed.....	(1,176.60)	(21.0)	(972.99)	(21.4)
Employee benefit expenses.....	(1,015.70)	(18.1)	(937.95)	(20.6)
Other expenses.....	(2,001.64)	(35.7)	(1,629.12)	(35.8)

The increase in total expenses was mainly due to the following increases:

Cost of reagents, chemicals, surgicals and laboratory supplies consumed. Our cost of reagents, chemicals, surgicals and laboratory supplies consumed increased 20.9%, from ₹ 972.99 million in Fiscal Year 2013 to ₹ 1,176.60 million in Fiscal Year 2014. The increase was substantially in line with our revenue growth and driven primarily by the increase in total volume of tests performed and the mix of services sold. The increase in this cost was partially offset

by an increase in efficiencies due to the overall growth of our business, and to a lesser extent, by lower consumable rates negotiated with certain suppliers.

Employee benefit expenses. Employee benefit expenses increased 8.3%, from ₹ 937.95 million in Fiscal Year 2013 to ₹ 1,015.70 million in Fiscal Year 2014. The increase was mainly due to the opening of additional clinical laboratories and patient service centers and annual increments in employee salaries as well as the addition of new franchise partners with which we share certain expenses.

Other expenses. Other expenses increased 22.9%, from ₹ 1,629.12 million in Fiscal Year 2013 to ₹ 2,001.64 million in Fiscal Year 2014. The increase was mainly due to our overall growth, with the primary drivers being fees to franchisee patient service centers, rent, postage and courier expenses, utilities and repairs and maintenance. The increase in other expenses was substantially proportional to our increase in revenue.

EBITDA

Our EBITDA increased 40.1%, from ₹ 1,004.71 million in Fiscal Year 2013 to ₹ 1,407.95 million in Fiscal Year 2014, due to the factors discussed above. As a percentage of total revenue, our EBITDA increased from 22.1% of total revenue in Fiscal Year 2013 to 25.1% in Fiscal Year 2014.

Additional pre-tax items

The table below shows the breakdown of certain other statement profit and loss other line-items.

	Year ended March 31,			
	2014	Revenue	2013	Revenue
	(₹ million)	(%)	(₹ million)	(%)
Depreciation and amortization expense	(272.29)	(4.9)	(203.98)	(4.5)
Interest Income	58.38	1.0	5.67	0.1
Finance costs.....	(1.98)	(0.0)	(4.39)	(0.1)

Depreciation and amortization expense. Our depreciation and amortization expenses increased 33.5%, from ₹ 203.98 million in Fiscal Year 2013 to ₹ 272.29 million in Fiscal Year 2014. The increase was mainly due to a change in management's estimates of the useful life of assets under the Companies Act, 2013, primarily affecting the depreciation and amortization expense of our tangible assets.

Interest Income. Interest income increased from ₹ 5.67 million in Fiscal Year 2013 to ₹ 58.38 million in Fiscal Year 2014. The increase was primarily as a result of a change in the investment mix of our surplus cash, resulting in an increase in our term deposits with banks, which earn interest income.

Finance costs. Finance costs decreased 54.9%, from ₹ 4.39 million in Fiscal Year 2013 to ₹ 1.98 million in Fiscal Year 2014. The decrease was mainly due to lower interest due on income taxes.

Total Tax expenses

Our total tax expenses increased 58.6% from ₹ 245.54 million in Fiscal Year 2013 to ₹ 389.43 million in Fiscal Year 2014. The increase was primarily due to an increase in taxable profit and a decrease in deferred tax credits in connection with our employee stock-based compensation plan.

Profit for the year

As a result of the foregoing, our profit for the year increased 44.2%, from ₹ 556.47 million in Fiscal Year 2013 to ₹ 802.63 million in Fiscal Year 2014. As a percentage of total revenue, our profit increased from 12.2% of total revenue in Fiscal Year 2013 to 14.3% in Fiscal Year 2014.

Other Financial Information

EBITDA

EBITDA consists of net profit / (loss) for the period, before depreciation and amortization expenses, interest income, finance costs and tax expenses. EBITDA is not a measure recognized under IFRS or U.S. GAAP. We use EBITDA as a measure of our operating performance. EBITDA does not have a standardized meaning and our definition of EBITDA may differ from those of other companies. EBITDA has limitations that may impair its use as a measure of profitability, since it does not reflect certain costs involved in doing business, such as financial expenses, taxes, depreciation, capital expenses and other related costs, any of which may have a significant effect on our net income.

The table below reconciles our net income to EBITDA for the years ended March 31, 2013, 2014 and 2015:

	Year ended March 31,			
	2015	2015	2014	2013
	(₹ million)	(US\$ million)	(₹ million)	(₹ million)
Reconciliation of net income with EBITDA:				
Profit for the year.....	949.97	15.20	802.63	556.47
Tax expenses	(447.01)	(7.15)	(389.43)	(245.54)
Depreciation and amortization of expense	(281.90)	(4.51)	(272.29)	(203.98)
Interest Income	94.06	1.50	58.38	5.67
Finance costs	(4.05)	(0.06)	(1.98)	(4.39)
EBITDA.....	1,588.87	25.42	1,407.95	1,004.71
EBITDA Margin ⁽¹⁾	24.0%	24.0%	25.1%	22.1%

(1) EBITDA Margin consists of EBITDA divided by total revenue for the year/period.

Liquidity and Capital Resources

To manage our liquidity, we take into account our cash and cash equivalents, our accounts receivable and our accounts payable. Our trade receivables are affected by the fact that generally, the average period between incurring costs and being paid for our services is 45 days, which corresponds to the period from invoicing, at the time we provide services, to the receipt of payment from our payers (health insurance providers, franchisees, hospitals, corporations and other institutional clients).

Cash and bank balances. Our balance of cash and bank balances was ₹ 214.61 million at March 31, 2013, ₹ 1,056.65 million at March 31, 2014, and ₹ 1,481.85 million at March 31, 2015.

Trade receivables. Our balance of current trade receivables was ₹ 197.87 million at March 31, 2013, ₹ 251.56 million at March 31, 2014, and ₹ 309.60 million at March 31, 2015.

Sources and Uses of Funds

Our principal source of funds is cash flow from our operations, which we use to finance our operations and investments and distribute dividends. We also maintain a credit facility that we drawdown from on an as needed basis. As of June 30, 2015 the outstanding balance of our credit facility was nil.

Operating Activities.

Net cash generated from operating activities was ₹ 881.31 million in Fiscal Year 2013, ₹ 979.58 million in Fiscal Year 2014 and ₹ 978.50 million in Fiscal Year 2015.

The increase in cash flow from operating activities from Fiscal Year 2013 to Fiscal Year 2014 was mainly due to (i) an increase in cash from operations, which in turn was due to higher operating profit in 2014 and (ii) a significantly higher upward adjustment as a result of stock options compensation granted in Fiscal Year 2014 compared to Fiscal Year 2013. The increase was partially offset by a lesser increase in trade payables, current liabilities and provisioning in Fiscal Year 2014 compared to the prior year as a result of the liabilities associated with our

employee stock-based compensation plan having been accounted for in Fiscal Year 2013, without a corresponding increase in Fiscal Year 2014.

From Fiscal Year 2014 to Fiscal Year 2015, cash flow from operating activities remained largely stable despite an increase in operating profit and an increase in stock options granted to our employees in Fiscal Year 2015. This was primarily due to an increase in loans and advances made in connection with our employee stock compensation plan.

Investment Activities.

Net cash used in investing activities was ₹ 650.35 million in Fiscal Year 2013, ₹ 896.89 million in Fiscal Year 2014 and ₹ 895.34 million in Fiscal Year 2015.

The increase in net cash used in investing activities from Fiscal Year 2013 to Fiscal Year 2014 was mainly due to (i) an increase in fixed deposits placed with banks and (ii) the purchase of investments in subsidiary companies as a result of certain selective acquisitions. The increase in net cash used in investing activities was partially offset by a net decrease in investments in mutual funds as a result of an increase in the sale of certain investments in mutual funds, coupled with a decrease in new mutual fund investments bought.

The decrease in net cash used in investing activities from Fiscal Year 2014 to Fiscal Year 2015 was mainly due to (i) a net decrease in fixed deposits placed with banks, which was partially offset by an increase in the purchase of investment units in mutual funds, and (ii) a decrease in payments for the acquisition of subsidiary companies as a result of lower merger and acquisitions activity in Fiscal Year 2015. The decrease in net cash used in investing activities was partially offset by a net increase in our investments in units of mutual funds in Fiscal Year 2015.

Financing Activities.

Cash flows relating to our financing activities were net outflows of ₹ 147.95 million in Fiscal Year 2013, ₹ 101.96 million in Fiscal Year 2014 and ₹ 7.96 million in Fiscal Year 2015. The decrease in net cash used in financing activities from Fiscal Year 2013 to Fiscal Year 2014 was mainly due to a decrease in dividends paid and related taxes paid. The lesser net outflow used in financing activities from Fiscal Year 2014 to Fiscal Year 2015 was mainly due to an increase in proceeds received from the issuance of share capital as a result of employees exercising vested stock options in Fiscal Year 2015.

Capital Expenditure

The principal investments in fixed assets we have made related to the expansion of our operations are classified as follows:

	Year ended March 31,		
	2015	2014	2013
	(₹ million)		
Leasehold Land.....	80.89	-	-
Leasehold improvements	65.27	34.91	46.89
Buildings.....	-	3.58	2.33
Plant and machinery	143.72	162.65	144.76
Furniture and fixtures.....	16.33	6.38	7.05
Computers.....	29.02	22.43	29.72
Vehicles	0.40	7.50	6.76
Total.....	335.63	237.45	237.51

Subsequent to this offering, and as part our growth strategy, we plan to construct and open several new clinical laboratories, including regional reference laboratories, and patient service centers. As such, our historical expenditures, including the figures stated above, may not be indicative of our future capital expenditures. See the sections entitled “—Factors Affecting Our Results of Operations and Financial Condition—The Cycle of Opening Clinical Laboratories and New Patient Service Centers” and “Risk Factors—Internal Risks—Risks Relating to Our Company—We may not realize the anticipated benefits of our strategy to increase the presence of our network

across India as well as of potential future investments or acquisitions, which, in turn, may adversely impact our results of operations. Moreover, our growth strategy of opening several new clinical laboratories and patient service centers may amplify the impact on our results of operations and financial condition, immediately following this offering, of the cycle of opening and developing new clinical laboratories and patient centers” on pages 336 and 17, respectively.

Indebtedness

As of March 31, 2015, we had 0 (zero) borrowings. We have generally maintained low levels of indebtedness as our cash reserves have been sufficient to finance our operations. We maintain a credit facility with a credit limit of ₹ 100 million primarily for working capital needs.

The cash generated by our operating activities has provided us with sufficient liquidity and capital resources to meet our financial obligations and bear our planned expenses and investments, including our various acquisitions. We cannot guarantee that this will continue to be the case in the future as we continue to expand. If necessary, we will enter into loans to finance our investments, expenditures, debt and/or acquisitions and we believe we have the ability to do so.

See the section entitled “*Financial Indebtedness*” on page 356 for further details.

Contractual Commitments

We have continuing obligations to make payments pursuant to certain contractual obligations. These contractual commitments consist of the estimated amount (net of advances) of contracts remaining to be executed on capital accounts and estimated amount of contracts remaining to be executed on revenue account. We have made, and expect to continue to make, substantial capital expenditures in connection with our expansion activities. Our capital expenditure plans are subject to risks, including, among other things, unforeseen engineering problems, delays in obtaining property rights and government approvals, force majeure events, unanticipated cost increases and contractor performance shortfalls, any of which could give rise to delays, cost overruns or the termination of the expansion plans. The failure to complete development as planned, or in accordance with agreed specifications, could result in higher costs, lower returns on capital or reduced future earnings. We could also be required to draw funds from external sources. In addition, if we are unable to complete our capital expenditure plans, we may not be able to recover our investments on these projects. We have in the past relied principally on cash flow from operations as our main sources of funds. We expect that, going forward, we will finance our capital expenditure through internal accruals, equity funding and borrowings if required.

Contingent Liabilities Not Provided For

Set forth below are our contingent liabilities, in accordance with the provisions of Accounting Standard – 29 – Provisions, Contingent Liabilities and Contingent Assets, that had not been provided for as of March 31, 2015:

	As at March 31, 2015
	(₹ million)
Claims against the Company by a vendor not acknowledged as debt	59.80
Other claims against the Company not acknowledged as debts	10.06

Off-Balance Sheet Obligations

As of March 31, 2015, we had no transactions that were not included on our balance sheet.

Quantitative and Qualitative Analysis of Market Risks

We are exposed to market risks that are related to the normal course of our operations such as interest rate, exchange rate and credit risks, which may affect economic growth in India and the value of our financial liabilities, our cash flows and our results of operations.

Inflation

Inflation risk relates to inflationary pressures and changes in consumer prices indices in India and abroad that affect mainly our cost structure. Our financial condition and results of operations may be affected by inflation. Our costs of services are mainly affected by salary increases and medical services, as well as by the contractual prices charged by national suppliers of materials for clinical tests, diagnostic imaging and other specialty procedures and materials used in the collection of specimens. These increases in costs tend to have a disproportionate effect on discretionary, non-essential testing, such as preventive healthcare services. We are often unable to effectively pass on all expense increases to our customers, which results in additional pressure on our margins.

Exchange Rate Risk

The substantial majority of our revenue and most of our expenses are denominated in Indian Rupees, so our current exposure to exchange rate risk is limited. However, reagent suppliers across India may meaningfully increase the price of consumables in response to a depreciation of the Indian Rupee, which would increase their procurement costs of foreign-produced consumables-ingredients, and which may in turn prompt them to renegotiate our supply contracts and increase our consumables expenses. See the section entitled *“Risk Factors—Internal Risks—We depend on third-party manufacturers for our testing equipment and reagents such that price increase for testing equipment and/or reagents, and the discontinuation or recall of existing testing equipment and/or reagents as well as the failure or malfunction of any of our equipment could adversely affect our business”* on page 26. In addition, there are certain foreign expenditures in supplies, equipment and information technology which could be affected. If in the future there are material levels of exposure that are certain, we may partially hedge these risks in order to keep them at an acceptable level.

Credit Risk

Credit risk is the risk of a financial loss to us if a customer or counterparty to a financial instrument or business arrangement fails to meet its contractual obligations. Our exposure to credit risk arises principally from our receivables from our franchisees, customers and hospitals. Even though there have been instances of delayed payments from certain counterparties in the past, the substantial majority of them have been recovered and the cumulative impact on our results of operations and financial condition has not been material. Our management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis.

Interest Rate Risk

Interest rate risk relates to changes in interest rates which affect mainly our fixed deposits and our debt obligations with banks and financial institutions. Our fixed-rate financial assets are exposed to a risk of change in their fair value due to changes in interest rates while our variable-rate financial assets are exposed to a risk of change in cash flows due to changes in interest rates. We maintain a revolving credit facility with a credit limit of ₹ 100 million which we drawdown from occasionally for working capital needs, but we have generally maintained low levels of debt. We may incur additional debt to finance our expansion in the future, in which case we would implement policies to control interest rate risk exposure.

Related Party Transactions

We have entered and may in the future continue to enter into transactions of a material nature with our Promoters and Directors, as well as entities controlled by such persons that may present a potential conflict of interest. We intend that all our related party transactions will be conducted in the normal course of business and on an arms' length commercial basis, in compliance with applicable laws. For further information, please see the section entitled *“Related Party Transactions”* on page 194.

Reputational Risk

We believe that the recognition and reputation of our “Dr. Lal PathLabs” brand among customers has contributed significantly to the growth and success of our business. Maintaining and enhancing the recognition and reputation of our brand are, therefore, critical to our business and competitiveness. If we fail to maintain our reputation, enhance our brand recognition or increase positive awareness of our services and products, it may be difficult to maintain and

grow our consumer base, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

Known Trends or Uncertainties

Other than as described in this Draft Red Herring Prospectus, particularly above and in the section entitled “*Risk Factors*” on page 15, to our knowledge, there are no trends or uncertainties that have had or are expected to have a material adverse impact on our income from continuing operations, on our results of operations or financial condition.

Segment Reporting

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of our Company as a whole. We note that we have no financial reporting segments.

Future Relationship between Costs and Income

Other than as described above and in the section entitled “*Risk Factors*” on page 15, to our knowledge, there are no known factors which will have a material adverse impact on our operations and finances.

Suppliers

Our Company is not dependent on any single or small number of suppliers. We believe we have the ability to enter into alternate arrangements in the event of any disruptions from or loss of one or more suppliers.

New Products or Business Segment

Apart from the recent business initiatives discussed in the section entitled “*Our Business*” on page 134, we currently have no plans to develop new products or establish new business segments.

Significant Regulatory Changes

Except as described in the section entitled “*Regulations and Policies*” on page 150, there have been no significant regulatory changes that could affect our income from continuing operations.

Unusual or Infrequent Events or Transactions

To our knowledge, there have been no transactions or events which, in our judgment, would be considered unusual or infrequent.

Significant Developments Subsequent to March 31, 2015

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 our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

Pursuant to our Articles of Association, subject to applicable laws, our Board is authorised to borrow sums of money for the purpose of our Company with or without security upon such terms and conditions as the Board may think fit which, together with the monies borrowed by the company (apart from the temporary loans obtained or to be obtained from the Company's banker in the ordinary course of business) shall not exceed the aggregate paid-up share capital and free reserves of our Company.

A. Facilities availed by our Company

As on March 31, 2015, our Company has 0 (zero) outstanding secured borrowings and 0 (zero) unsecured borrowings. Set forth below is a brief summary of our outstanding secured borrowings (both fund based and non-fund based) as on June 30, 2015.

Term Loans

Nil.

Working Capital Facilities

Provided below is a brief description of the working capital facilities obtained by our Company as on June 30, 2015.

Name of the lender and loan documentation	Sanctioned amount (₹ million)	Total outstanding amount as on June 30, 2015 (₹ million)	Key terms and conditions
HDFC Bank Limited Sanction letter dated December 5, 2014 and letter dated July 8, 2015	100.00 (cash credit)	0 (zero)	1. <i>Purpose:</i> For working capital requirements for various diagnostic laboratories. 2. <i>Interest rate:</i> Base rate plus 60 basis points. 3. <i>Tenor and repayment:</i> Repayable on demand. Interest is repayable at monthly intervals. 4. <i>Penalties:</i> Penal interest of 2.00% per annum for all overdues and/or delays and for any default in compliance with covenants. 5. <i>Event of default:</i> Our Company availing working capital, bill discounting or other facilities would constitute an event of default (except when availed from banks in a multiple banking arrangement). 6. <i>Security:</i> First charge on the entire current assets of our Company, present and future and postdated cheques for the facility amount.
	5.00 (bank guarantee)	0 (zero)	1. <i>Purpose:</i> For issuance of bank guarantees to the customs and excise department. 2. <i>Commission:</i> As mutually agreed. 3. <i>Tenor and repayment:</i> 36 months inclusive of the claim period and repayable on demand. 4. <i>Event of default:</i> Our Company availing working capital, bill discounting or other facilities would constitute an event of default (except when availed from banks in a multiple banking arrangement). 5. <i>Security:</i> Fixed deposit with a lien marked in favour of the bank.

Name of the lender and loan documentation	Sanctioned amount (₹ million)	Total outstanding amount as on June 30, 2015 (₹ million)	Key terms and conditions

Restrictive covenants with respect to our borrowings

Our financing arrangement contains various covenants, including maintenance of financial ratios in relation to our total liabilities against total net worth, net cash accruals against total debt etc. as well as restrictive covenants including that during the currency of the lenders' credit facilities, our Company shall not, without the bank's prior written permission, alter the shareholding of its promoters or undertake any additional borrowings.

B. Facilities availed by our Subsidiaries

As on June 30, 2015, our Subsidiary, Paliwal Diagnostics Private Limited has six overdraft facilities of ₹ 1.11 million, ₹ 1.10 million, ₹ 3.23 million, ₹ 2.85 million, ₹ 1.67 million and ₹ 3.18 million from State Bank of India Limited, all of which are subject to interest at the rate prevailing on the deposit plus 0.50% per annum, secured against term deposits/balance in the loan account and are repayable on demand with interest being repayable at monthly intervals.

Our Subsidiary, Paliwal Medicare Private Limited has availed a cash credit facility of ₹ 1.80 million from Indian Overseas Bank which is subject to an interest rate of 10.50% per annum, is secured against term deposits and is repayable on demand.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there is no (i) pending criminal litigation involving our Company, Subsidiaries, Directors or Promoters; (ii) pending action by statutory or regulatory authorities involving our Company, Subsidiaries, Directors or Promoters; (iii) outstanding claims involving our Company, Subsidiaries, Directors or Promoters for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated for economic offences against our Company; (v) pending defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding this Draft Red Herring Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 against our Company and Subsidiaries during the last five years immediately preceding the year of this Draft Red Herring Prospectus; (viii) prosecutions filed (whether pending or not); fines imposed or compounding of offences for our Company and Subsidiaries, in the last five years immediately preceding the year of this Draft Red Herring Prospectus; (ix) litigation or legal action against our Promoters by any ministry or Government department or statutory authority during the last five years immediately preceding this Draft Red Herring Prospectus; (x) other pending litigations involving our Company, Subsidiaries, Directors, Promoters or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by the Company's Board of Directors in accordance with the SEBI Regulations; and (xii) dues to small scale undertaking and other creditors.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. Litigation involving our Company

A. Outstanding criminal litigation involving our Company

Criminal proceedings against our Company

The following criminal proceedings have been initiated and are pending against certain of our Directors or employees, in their respective official capacities:

1. Ms. Asha Sen, a former employee of our Company, filed an application (269 of 2013) dated November 13, 2013 before the Additional Judicial Magistrate, Udaipur, seeking the registration of a first information report (“**FIR**”) against Mr. Prashant Vijayvargiya, Zonal Sales Manager of our Company, at the Hathipol police station with respect to an alleged offence under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013. Pursuant to an investigation, an FIR bearing number 134/2013, dated December 24, 2013 was approved and sent to the Judicial Magistrate First Class, Udaipur. The matter is currently pending.

Ms. Asha Sen has also filed a complaint before the Parivar Paramarsh Kendra (“**PPK**”) in relation to this matter, pursuant to which PPK directed Mr. Prashant Vijayvargiya to appear before PPK by a letter to our Company dated April 9, 2013. Representatives from our Company appeared before PPK on April 25, 2013, post which the application before the Additional Judicial Magistrate, Udaipur was filed by the complainant.
2. Mr. Arif Khan filed an FIR bearing number 449/2013, dated October 3, 2013 before the Alipur Police Station, Delhi, against franchisee owner of Narela Patient Service Centre, New Delhi for the alleged defacing of public property caused by placement of a hoarding of our Company on a pole by one of our franchise owners, in violation of the Delhi Prevention of Defacement of Property Act, 2007. Our Company received a notice dated April 9, 2015, issued under section 160 of Criminal Procedure Code, 1973, calling for appearance before the investigating officer. (Hony.) Brig. Dr. Arvind Lal, as Managing Director of our Company, made a statement before the investigating officer on April 29, 2015, denying involvement of our Company in any alleged violations by our franchise owner. The matter is currently at the stage of investigation.
3. Mr. Dinesh Kumar Pandey filed an application (329 of 2012) dated March 2, 2012 before the Additional Chief Judicial Magistrate, Allahabad, against Dr. Rakhi Tiwari (our laboratory staff) and others including

(Hony). Brig. Dr. Arvind Lal and Dr. Vandana Lal, in their official capacity as Directors. In his application, Mr. Dinesh Kumar Pandey contended that his test result from our Company's laboratory was reported as HIV-1 and HIV-2 positive whereas test results from other laboratories were reported as negative. Mr. Dinesh Kumar Pandey alleged that our laboratory staff extorted ₹ 0.05 million from him and also threatened to kill him, and prayed that his FIR be registered and direction be issued to the Georgetown police station to initiate an investigation in the matter. The Additional Chief Judicial Magistrate, pursuant to an order dated May 17, 2012, noted that a *prima facie* case under sections 384, 505 and 506 of Indian Penal Code, 1860 was made out against our laboratory staff; however there was no *prima facie* evidence against (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal. However, Mr. Dinesh Kumar Pandey again issued a legal notice dated November 3, 2012 to (Hony.) Brig. Dr. Arvind Lal, Dr. Vandana Lal and others for a response as to why civil and criminal cases may not be filed against them in this matter. The matter is currently pending.

Criminal proceedings by our Company

The following criminal proceedings have been initiated by our Company:

1. Our Company, through Mr. Harish Tharwani, a zonal administrator of our Company, filed an FIR bearing number 103/2013 dated April 22, 2013, against an employee of a security agency engaged by our Company under sections 381 and 34 of the IPC, at the New Friends Colony Police Station, New Delhi, reporting an alleged theft of ₹ 0.13 million from our Company's laboratory located at New Delhi. The matter was listed before the Additional Chief Metropolitan Magistrate, Saket Court, New Delhi, ("ACMM") as *State v. Deepak & Others* (F806/1/2013). The accused persons filed an application dated April 17, 2014 for plea bargaining before the Metropolitan Magistrate, Saket Court, New Delhi. Our Company expressed no objection to the application, and signed the mutually satisfactory disposition on August 26, 2014. Consequently, the Metropolitan Magistrate, Saket Court, New Delhi, by an order dated August 26, 2014, disposed of the application for plea bargaining and consigned the matter back to ACMM. The matter is currently pending.
2. Our Company, through Mr. Harish Tharwani, a zonal administrator of our Company, filed an FIR bearing number 662/2013 dated September 17, 2013, against an employee of a security agency engaged by our Company under sections 380 and 457 of the IPC, at the Civil Lines Police Station, Gurgaon, reporting an alleged theft of ₹ 0.53 million from our Company's laboratory located at Gurgaon. Pursuant to police investigation, the matter was listed before the Civil Judge (Junior Division) cum Judicial Magistrate, District Court, Gurgaon, as *State v. Vishwanath* (69/2014). A sum of ₹ 0.28 million has been recovered from the accused person and remaining amount from the employer security agency. The matter is currently pending.
3. Our Company filed a criminal case (700 of 2012, renumbered as 436 of 2013) dated June 18, 2012 before the Chief Metropolitan Magistrate, Patiala House, New Delhi, against Mr. Charanjeet Thakur under section 138 of Negotiable Instruments Act, 1881. Mr. Charanjeet Thakur operated a collection center on a revenue sharing basis with our Company, and had presented a cheque for ₹ 0.49 million towards his payment obligations to our Company, which was subsequently dishonoured. Our Company sought recovery of ₹ 0.49 million, along with interest. The Chief Metropolitan Magistrate, Patiala House, New Delhi, pursuant to an order dated September 1, 2014, directed the matter to be presented before the competent jurisdiction where the dishonour of cheque occurred. Our Company is in the process of filing the matter before the court of competent jurisdiction.
4. Our Company filed a criminal case (2312 of 2005) dated December 21, 2005 before the Chief Metropolitan Magistrate, Patiala House, New Delhi, against Mr. Rahul Singh and Ms. Sadhna Singh under section 138 and 141 of Negotiable Instruments Act, 1881 and section 420 of the Indian Penal Code, 1860. Mr. Rahul Singh and Ms. Sadhna Singh operated a collection center on a revenue sharing basis with our Company, and had presented two cheques amounting to ₹ 0.17 million towards their payment obligations to our Company, which was subsequently dishonoured. Our Company sought recovery of ₹ 0.17 million, along with interest. The matter is currently pending.

B. Pending action by statutory or regulatory authorities against our Company

1. Our Company has received two notices dated February 7, 2015 and February 27, 2015 from the District Medical and Health Officer, Hyderabad and the Chief Medical Officer, Nanital respectively seeking explanations in relation to Swine Flu samples tested by our laboratories, allegedly without prior permission from the concerned authorities. Additionally, Chief Medical Officer, Bareilly has also sought clarifications in relation to Swine Flu samples tested at our laboratory. Our Company has replied to the above concerns by letters dated February 11, 2015 and March 4, 2015, requesting the authorities to *inter alia* permit us to collect and test Swine Flu samples. No further communication has been received in relation to these notices and concerns.
2. The Assistant Director of Consumer Affairs and Fair Practices, Kolkata has issued a notice dated January 15, 2015 to Srijoni Healing Home, Kolkata and our Company, in relation to a consumer grievance seeking justification for the test sample been collected by to Srijoni Healing Home, Kolkata after the death of a person and thereafter tested in our laboratory. Pursuant to this notice, our Company has made representation on March 26, 2015 and no further communication has been received in this regard.
3. In relation to an investigation under Transplantation of Human Organs and Tissues Act, 1994, our Company has received a notice dated July 24, 2015 from the Odisha Police, Special Task Force, CID, Crime Branch, Bhubaneswar (“**STF Bhubaneswar**”) requesting us to supply information for a medical diagnosis conducted at our laboratory. Our Company submitted the requisite information by a reply letter dated July 28, 2015. Thereafter, STF Bhubaneswar issued a notice dated August 5, 2015 to Dr. Vandana Lal, our whole-time Director, calling for her examination on account of alleged acquaintance arising out of her certifying the genetic relationship of living donor with recipient, in her official capacity of executive director and the head of the department of transplantation immunology. The notice dated August 5, 2015 averred that kidney of persons diagnosed at our laboratory has been illegally removed and transplanted. Thereafter on August 24, 2015 officials from STF Bhubaneswar seized documents pertaining to investigation and no further communication has been received in relation to these notices.
4. Nidan Kendra, a diagnostic centre acquired by our Company in 2008, received a notice dated August 18, 2005 from the Office of the Regional Provident Fund Commissioner, Varanasi (“**RPFC**”) instructing them to deposit sums due under Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“**EPF Act**”). Thereafter, Nidan Kendra filed an appeal (ATA No. 839 (14)/2005) before the Employee’s Provident Fund Appellate Tribunal, New Delhi (“**EPFAT**”) challenging the applicability of EPF Act on the grounds *inter alia* that it did not have 20 employees. The EPFAT dismissed the appeal by an order dated October 4, 2005. Nidan Kendra also filed recall application before the RPFC and a Civil Miscellaneous Writ Petition (24134 of 2009) before the High Court of Allahabad, which were dismissed by orders dated March 13, 2007 and May 7, 2009, respectively. Subsequently, the RPFC by an order dated July 23, 2014 while deciding the applicability of EPF Act in respect of Nidan Kendra directed that dues for the period of April 1, 1999 to April 30, 2008 has to be paid by the Nidan Kendra and held that a separate enquiry be initiated against our Company with effect from May 1, 2008. Our Company has received summons from RPFC, dated October 14, 2014 directing us to appear before the RPFC. Our Company has made representations before RPFC on August 31, 2015 and has made a payment of ₹ 0.86 million against sums outstanding for the period from May 2008 till December 2014. RPFC by his inspection report dated August 31, 2015 has directed our Company to pay an additional sum of ₹ 18,122. No further communication has been received in relation to these notices.

C. Tax proceedings against our Company

There are 14 income tax demands pending against our Company and the total financial implication on our Company pursuant to such demands is ₹ 0.50 million. In addition to this, two penalty proceedings have also been initiated against our Company. Financial implication of the penalty proceedings is not ascertainable.

Further, there are 62 demands pending against our Company, in relation to tax deducted at source and the total financial implication on our Company pursuant to such demands is ₹ 2.02 million.

D. *Proceedings initiated against our Company for economic offences*

As on the date of this Draft Red Herring Prospectus there are no proceedings initiated against our Company for any economic offences.

E. *Default and non – payment of statutory dues*

Except as stated in the section titled “*Financial Information*” on page 196, our Company does not owe any statutory dues and has not made any defaults or committed any acts involving non-payments of its statutory dues.

F. *Material frauds against our Company*

There have been no material frauds committed against our Company in the last five years preceding the date of this Draft Red Herring Prospectus.

G. *Details of any inquiry, inspection or investigation initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956*

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 against our Company in the last five years, and no prosecution has been filed, or fines imposed, or compounding done by our Company under the Companies Act, 2013 or the Companies Act, 1956 in the last five years.

H. *Other material outstanding litigation involving our Company*

Details of other legal proceedings, determined to be material by our Board of Directors and currently pending involving our Company are set forth below. Pursuant to the SEBI Regulations, for the purposes of disclosure, all other pending litigation involving our Company, Directors, Promoters and Subsidiaries, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered ‘material’ if the monetary amount of claim by or against the entity or person in any such pending matter is in excess of ₹ 20 million, or 5% of the net profits after tax of our Company for Fiscal Year 2015, whichever is higher and such pending cases are material from the perspective of the business, operations, prospects or reputation of our Company.

Material outstanding litigation against our Company

Civil/ Arbitration proceedings

The following material arbitration proceedings have been initiated and are pending against our Company:

1. Uppal Builders Private Limited (“**Uppal Builders**”), a former contractor of our Company, filed an arbitration petition (31 of 2012) dated January 11, 2012 before the High Court of Delhi and following the order of High Court dated April 30, 2012 initiated arbitration proceedings (9 of 2012) before the sole arbitrator against our Company. In its statement of claims dated July 14, 2012, Uppal Builders contended that in connection with an agreement dated January 13, 2008 relating to the construction of our National Reference Laboratory, there were certain alleged delays attributable to our Company in supply of steel, in appointment of other service providers and increase in the scope of work which ultimately led to delay in construction of the National Reference Laboratory. Uppal Builders claimed sums of ₹ 63.08 million along with interest, *inter alia* for an alleged non-payment of final bill and towards overheads and loss of profits arising out of prolongation of contract and ₹ 1.5 million towards cost of arbitration. Our Company in a statement of defence dated November 9, 2012 denied all allegations *inter alia* on the ground that the delay

was solely attributable to Uppal Builders and sought dismissal of the claim along with costs. The matter is currently pending.

Material outstanding litigation by our Company

Civil/ Arbitration proceedings

The following material civil proceedings have been initiated by our Company:

1. Our Company has filed a title suit (1382 of 2011) dated April 25, 2011 before the District Judge, Alipore, 24 Paraganas (South), against Mediclue Research and Diagnostic Private Limited (“**MRDPL**”) seeking an injunction for restraining MRDPL from disposing of or dealing with its immovable property. Our Company has pursuant to the suit alleged that MRDPL has terminated an agreement dated July 16, 2010, wherein it agreed to handover its clinical operations to our Company on a revenue sharing basis at Kolkata. The matter is currently pending.

In relation to this dispute, our Company has also filed an arbitration petition (382 of 2013) dated April 8, 2013 before the Calcutta High Court and following the order of High Court dated April 16, 2013 arbitration proceedings were instituted against MRDPL. Our Company has filed a statement of claim dated June 21, 2013 before the sole arbitrator alleging *inter alia* non-payment of certain dues and illegal termination of the agreement dated July 16, 2010 entered between our Company and MRDPL and has prayed for damages amounting to ₹ 28.72 million along with interest. The matter is currently pending.

2. Our Company along with our erstwhile subsidiary Amolak Diagnostics Private Limited (“**Amolak Diagnostics**”) has instituted trademark infringement proceedings (71 of 2013) dated October 3, 2013, before the District and Sessions Court at Udaipur, against Dr. Arvinder Singh and Arth Diagnostics (“**Arth Diagnostics**”), praying for permanent injunction restraining defendants from causing infringement and passing off to intellectual property of Amolak Diagnostics, rendition of accounts and damages of ₹ 1 million along with interest. The District Court in an order dated November 19, 2013, declined to grant injunction. Thereafter, our Company and Amolak Diagnostics filed Civil Miscellaneous Appeal (S.B. Civil Miscellaneous Appeal No. 271 of 2014), dated February 5, 2014 before the High Court of Rajasthan at Jodhpur and prayed for admitting the appeal and setting aside the order dated November 19, 2013. Arth Diagnostics in its reply prayed for dismissal of the petition filed by Amolak Diagnostics. The High Court has pursuant to its order dated July 4, 2014 stayed the operation of November 19, 2013 order and prohibited the defendants to use the brand name of “AMOLAK” on their sign boards, walls of shop, letterheads and other published material including diagnostic reports given to customers without specific permission of High Court or trial courts. The matter is currently pending.

Amolak Diagnostics along with our Company has also filed a contempt application (CCP No.31 of 2015), dated April 28 2015, before the High Court of Rajasthan at Jodhpur against Arth Diagnostics and Dr. Arvinder Singh *inter alia* on the grounds that respondents have disobeyed the aforementioned order dated July 4, 2015 passed by the High Court of Rajasthan. Amolak Diagnostics and our Company have prayed to initiate contempt proceedings against the respondents and have sought direction from the High Court to purge the contempt. The matter is currently pending.

For details of trademarks which we have applied for and are currently opposed, see the section titled “*Government and Other Approvals – Intellectual property related approvals – Trademarks*” on page 374.

I. Outstanding dues to small scale undertakings or any other creditors

As of June 30, 2015, our Company had 530 creditors, to whom a total amount of ₹ 201.57 million was outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated August 28, 2015, considered creditors to whom the amount due exceeds 5% of consolidated trade payables of our Company our restated consolidated financial statements for Fiscal Year 2015, for the purpose of identification of ‘material’ creditors. Based on the above, there are no material creditors of our Company. Further, none of our creditors have been identified as small scale undertakings by our Company

based on available information. For complete details about outstanding dues to creditors of our Company, see www.lalpathlabs.com.

Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.lalpathlabs.com, would be doing so at their own risk.

J. *Outstanding litigation against any other persons or companies whose outcome could have an adverse effect on our Company*

There are no outstanding litigation, suits, criminal or civil proceedings, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule V of the Companies Act, 2013, show cause notices or legal notices against any other person or company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

II. *Litigation involving our Subsidiaries*

A. *Outstanding litigation involving our Subsidiaries*

PDPL

Tax proceedings against PDPL

There is one income tax demand pending against PDPL and the financial implication on PDPL, pursuant to such demand is ₹ 0.11 million.

Further, there are three demands outstanding against PDPL in relation to tax deducted at source and the total financial implication on PDPL pursuant to such demands is ₹ 0.45 million.

PMPL

Tax proceedings against PMPL

There are two income tax demand pending against PMPL and the financial implication on PMPL pursuant to such demands is ₹ 0.14 million.

Further, there is one demand outstanding against PMPL in relation to tax deducted at source and the financial implication on PMPL pursuant to such demand is ₹ 1,120.

APL

Tax proceedings against APL

There are 12 demands outstanding against APL in relation to tax deducted at source and the total financial implication on APL pursuant to such demands is ₹ 0.04 million.

B. *Details of any inquiry, inspection or investigation initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956*

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 against our Subsidiaries in the last five years, and no prosecution has been filed, or fines imposed, or compounding done by our Subsidiaries under the Companies Act, 2013 or the Companies Act, 1956 in the last five years.

III. *Litigation involving our Directors*

A. *Outstanding criminal litigation involving our Directors*

Criminal proceedings against our Directors

(Hony.) Brig. Dr. Arvind Lal

Mr. Dinesh Kumar Pandey filed an application (329 of 2012) dated March 2, 2012 before the Additional Chief Judicial Magistrate, Allahabad, against Dr. Rakhi Tiwari and others, including (Hony.) Brig. Dr. Arvind Lal, in his official capacity as a Director. In his application, Mr. Dinesh Kumar Pandey contended that his test result from our Company's laboratory was reported as HIV-1 and HIV-2 positive whereas test results from other laboratories were reported as negative. Mr. Dinesh Kumar Pandey alleged that our laboratory staff extorted ₹ 0.05 million from him and also threatened to kill him, and prayed that his FIR be registered and direction be issued to the Georgetown police station to initiate an investigation in the matter. The Additional Chief Judicial Magistrate, pursuant to an order dated May 17, 2012, noted that a *prima facie* case under sections 384, 505 and 506 of Indian Penal Code, 1860 was made out against our laboratory staff; however there was no *prima facie* evidence against (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal. However, Mr. Dinesh Kumar Pandey again issued a legal notice dated November 3, 2012 to (Hony.) Brig. Dr. Arvind Lal, Dr. Vandana Lal and others for a response as to why civil and criminal cases may not be filed against them in this matter. The matter is currently pending.

Dr. Vandana Lal

Mr. Dinesh Kumar Pandey filed an application (329 of 2012) dated March 2, 2012 before the Additional Chief Judicial Magistrate, Allahabad, against Dr. Rakhi Tiwari and others, including Dr. Vandana Lal, in her official capacity as a Director. In his application, Mr. Dinesh Kumar Pandey contended that his test result from our Company's laboratory was reported as HIV-1 and HIV-2 positive whereas test results from other laboratories were reported as negative. Mr. Dinesh Kumar Pandey alleged that our laboratory staff extorted ₹ 0.05 million from him and also threatened to kill him, and prayed that his FIR be registered and direction be issued to the Georgetown police station to initiate an investigation in the matter. The Additional Chief Judicial Magistrate, pursuant to an order dated May 17, 2012, noted that a *prima facie* case under sections 384, 505 and 506 of Indian Penal Code, 1860 was made out against our laboratory staff; however there was no *prima facie* evidence against (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal. However, Mr. Dinesh Kumar Pandey again issued a legal notice dated November 3, 2012 to (Hony.) Brig. Dr. Arvind Lal, Dr. Vandana Lal and others for a response as to why civil and criminal cases may not be filed against them in this matter. The matter is currently pending.

Tax proceedings against our Directors

(Hony.) Brig. Dr. Arvind Lal

There are two income tax demands pending against (Hony.) Brig. Dr. Arvind Lal and the total amount involved in relation to such demands is ₹ 0.45 million.

B. Pending action by statutory or regulatory authorities against our Directors

Dr. Vandana Lal

Our Company received a notice dated July 24, 2015 from STF Bhubneshwar, requesting us to supply information pursuant to an alleged illegal transplantation and removal conducted at our laboratory. Thereafter, STF Bhubaneswar also issued a notice dated August 5, 2015 to Dr. Vandana Lal, calling her for examination on account of alleged acquaintance arising out of her certifying the genetic relationship of living donor with recipient, in her official capacity of executive director and the Head of department of Transplantation Immunology at our laboratory. For further details refer the section titled “– Pending action by statutory or regulatory authorities against our Company” on page 360.

Mr. Sandeep Singhal

1. The Registrar of Companies, National Capital Territory of Delhi and Haryana has issued a show cause notice dated February 25, 2014 to M/s Carzonrent (India) Private Limited (“**Defendant**”) along with its directors

including Mr. Sandeep Singhal for violation of section 147(1)(a) of the Companies Act, 1956 i.e. for not having its taxies painted and affixed with the address of its registered office.

2. WestBridge Advisors Private Limited and its directors including Mr. Sandeep Singhal (the “**Applicant**”) had filed an application number 280-283/621A/CB/2013 before the Registrar of Companies, Karnataka at Bangalore (“**Karnataka RoC**”) for compounding of offences as per the provisions of Section 621A(4)(a) of the Companies Act, 1956. The present application was filed for compounding of offences relating to contravention of Section 159 (default in filing annual return), 166 (default in holding annual general meeting), 210 (default in adopting balance sheet and statement for profit and loss) and 220(1) (default in filing balance sheet and the statement of profit and loss) of the Companies Act, 1956 committed in the affairs of WestBridge Advisors Private Limited. Pursuant to hearing before the Karnataka RoC, the present application was forwarded to the Company Law Board, Chennai Bench by the Karnataka RoC. The offences were compounded by the Company Law Board by way of its order dated December 6, 2013. The Applicant has filed the requisite forms under the erstwhile Companies Act, 1956 for compounding of the offences.

IV. Litigation involving our Promoters

A. Outstanding criminal litigation involving our Promoters

For details of criminal proceedings involving (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal, see the section titled “– *Litigation involving our Directors*” on page 364.

B. Tax proceedings against our Promoters

For details of tax proceedings against (Hony.) Brig. Dr. Arvind Lal, see the section titled “– *Litigation involving our Directors*” on page 364.

C. Other material outstanding litigation involving our Promoters

For details of other material outstanding litigation involving (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal, see the section titled “– *Litigation involving our Directors*” on page 364.

D. Pending action by statutory or regulatory authorities against our Promoters

For details of pending action against Dr. Vandana Lal, see the section titled “– *Pending action by statutory or regulatory authorities against our Directors*” on page 364.

E. Litigation or legal action by the Government of India or any statutory authority in last five years

There is no litigation or legal action pending or taken by a ministry, department of the government or statutory authority during the last five years preceding the date of this Draft Red Herring Prospectus against our Promoters and no direction has been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

V. Material developments since the last balance sheet date

To our knowledge, no circumstances have arisen since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect, our operations or profitability taken as whole, the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

Except as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operation – Significant Developments Subsequent to March 31, 2015*” on page 355, there is no development subsequent to March 31, 2015 that we believe is expected to have a material impact on the reserves, profits, earnings per share and book value of our Company.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake this Offer and our current business activities, and no further material approvals from any governmental or regulatory authority or any other entity are required to undertake this Offer or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see the section titled “*Regulations and Policies*” on page 150.

A. Approvals relating to the Offer

1. The Board, pursuant to its resolution dated August 21, 2015, authorised the Offer subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities as may be necessary;
2. The shareholders of our Company have, pursuant to their resolution dated August 24, 2015 under Section 62(1)(c) of the Companies Act, 2013, authorised the Offer;
3. (Hony.) Brig. Dr. Arvind Lal specifically confirms that he has consented to participate in the Offer for Sale by offering up to 1,261,996 Equity Shares by his letter dated September 11, 2015;
4. Dr. Vandana Lal specifically confirms that she has consented to participate in the Offer for Sale by offering up to 2,056,747 Equity Shares by her letter dated September 11, 2015;
5. Eskay House (HUF) specifically confirms that it has consented to participate in the Offer for Sale by offering up to 238,226 Equity Shares by its letter dated September 11, 2015;
6. Mr. Anjaneya Lal specifically confirms that he has consented to participate in the Offer for Sale by offering up to 550,386 Equity Shares by his letter dated September 11, 2015;
7. Wagner specifically confirms that Wagner has consented to participate in the Offer for Sale by offering up to 5,860,000 Equity Shares pursuant to a resolution of its board of directors dated August 31, 2015;
8. WCF specifically confirms that WCF has consented to participate in the Offer for Sale by offering up to 1,471,575 Equity Shares pursuant to a resolution of its board of directors dated August 21, 2015;
9. SIH specifically confirms that SIH has consented to participate in the Offer for Sale by offering up to 161,070 Equity Shares pursuant to a resolution of its board of directors dated August 21, 2015;
10. The Board has taken on record the approval of the Offer for Sale pursuant to its resolution dated September 11, 2015 and the IPO Committee has approved this Draft Red Herring Prospectus pursuant to its resolution dated September 12, 2015;
11. In-principle approval from the NSE dated [●]; and
12. In-principle approval from the BSE dated [●].

B. Corporate Approvals

1. Initial certificate of incorporation dated February 14, 1995 issued by the RoC in the name of ‘Dr. Lal PathLabs Private Limited’.
2. Fresh certificate of incorporation dated August 19, 2015, consequent upon conversion of our Company to a public limited Company as ‘Dr. Lal PathLabs Limited’ issued by the RoC.

3. Corporate identity number – U74899DL1995PLC065388 issued by the RoC, Ministry of Corporate Affairs, Government of India.
4. Permanent account number – AAACD3377J, issued by the Income Tax Department, Government of India.
5. Tax deduction account number – DELD03576G, issued by the Income Tax Department, Government of India.
6. Service tax code: AAACD3377JST001 issued by the Central Board of Excise and Customs, Department of Revenue, Ministry of Finance.
7. Importer exporter code bearing number 0501000917, dated April 10, 2001, issued by the Foreign Trade Development Officer, Office of Additional Director General of Foreign Trade, Central Licensing Area, ‘A’ Wing, New Delhi
8. Establishment code for employees’ provident fund – DL/CPM/0004897/000, registered with the Employees’ Provident Fund Organisation.

C. Business Approvals

We have received the following significant approvals pertaining to our business:

1. Clinical laboratories

As on March 31, 2015, we own and operate 164 clinical laboratories in India, including our National Reference Laboratory. Approvals, licenses and registrations under central or state-level acts, rules and regulations required to operate clinical laboratories in India differ on the basis of location, as well as the nature of tests undertaken at each of the clinical laboratories. The material approvals typically required for the operation of clinical laboratories in India are:

Registration as a ‘Clinical Establishment’: All clinical establishments, including establishments for diagnostics and treatment of diseases, located in Notified Areas as defined under the CERR Act are required to apply for provisional registration as a clinical establishment within six months of establishment, irrespective of prior registration under any other applicable laws, which is valid for an initial period of 12 months, and is subject to renewal. Permanent registration, which would be valid for a period of five years, shall only be applied for and granted if the clinical establishment meets the prescribed standards for registration, once notified.

Registration for undertaking preconception and pre-natal diagnostic testing: Genetic laboratories or clinics, undertaking preconception and pre-natal diagnostic testing are required to comply with prescribed qualifications under the PCPNDT Act and obtain registration under the PCPDNT Rules from the appropriate authority under the PCPNDT Act to conduct one or more specified pre-natal diagnostic tests or procedures, depending on the availability of place, equipment and qualified employees, and standards maintained by such laboratory or clinic. Registration under the PCPNDT Rules is valid for a period of five years, and is subject to renewal.

Registration for installing radiation generating equipment and handling radio-active material: Clinical laboratories operating medical diagnostic or analytical X-ray equipment, or where radio-active material is stored or used in testing procedures need to apply for a license issued by the AERB, unless exempted under AERP Rules, and are required to comply with notified radiation surveillance procedures, requisite medical records of workers and ensuring rehabilitation of affected workers. The license is valid for a period of five years.

Shops and establishments’ registrations: In states where clinical laboratories are operated, registrations under the respective shops and establishment acts of those states, wherever enacted and in force, are

required. The terms of such registrations and renewal requirements as well as processes may differ under the various state legislations and may be subject to renewals, as applicable.

Trade licenses: Our Company is required to obtain licenses to provide diagnostic and related healthcare services at our clinical laboratories, from the respective municipal authorities of areas where such laboratories are operated. Such licenses may be subject to renewals, as applicable.

Environmental consents: Authorisations for operating a facility for *inter alia* collection, storage and disposal of bio-medical wastes are required to be obtained under the BMW Rules from the relevant central or state pollution control boards where our clinical laboratories are situated. Such licenses also prescribe certain conditions for compliance with standards prescribed under the BMW Rules for discharge of effluents, and require that an agreement be entered into with a duly authorized agency for disposal of bio-medical wastes. Such authorisations would be subject to renewals, as applicable.

In addition to the above, one-time permits are also required for certain activities, whenever undertaken, such as transportation of testing machinery and other equipment, to be obtained from the relevant state authorities. Further, approvals from the Indian Council of Medical Research, Department of Health Research, Ministry of Health & Family Welfare are required for import of samples from certain locations outside India, for testing at our clinical laboratories.

Details of the key approvals obtained and applied for by us in relation to the top 30 clinical laboratories, including our National Reference Laboratory, on the basis of revenue generated by each of the clinical laboratories, are set forth below:

National Reference Laboratory

The key approvals obtained by us in relation to our National Reference Laboratory, which contributes to 20.05% of the total revenue generated by our Company on a consolidated basis, are as given below:

S. No.	Description	Authority	Reference / Registration Number	Date	Validity
1.	Registration as a commercial establishment under the Delhi Shops & Establishments Act, 1954	Department of Labour, Government of National Capital Territory of Delhi	2010000744	February 17, 2010	-
2.	Registration of the genetic laboratory and ultrasound clinic for carrying on genetic counselling, pre-natal diagnostic procedures (ultrasound) and tests (chromosomal studies, biochemical studies and molecular studies) and ultrasonography using specified equipment under the PCPNDT Act	Deputy Commissioner (Revenue), North-West District, Government of National Capital Territory of Delhi	DL/NWD/0415	April 20, 2012	May 24, 2016
3.	Fire safety certificate under the business	Chief Fire Officer, Delhi Fire Service, Government of	F6/DFS/MS/2013/W2/1330	December 20, 2013	Three years

S. No.	Description	Authority	Reference / Registration Number	Date	Validity
	occupancy category under the Delhi Fire Service Rules, 2010	National Capital Territory of Delhi			
4.	Authorisation for operating a facility for generation, collection and storage of bio-medical wastes under the BMW Rules	Senior Environmental Engineer (CDC), Delhi Pollution Control Committee, Government of National Capital Territory of Delhi	DPCC/BMW/AUTH/NEWNo/2014/00913	June 16, 2014	September 8, 2016
5.	Registration as a principal employer under the Contract Labour (Regulation and Abolition) Act, 1970, for up to 80 contract labourers	Registering Officer, North West District, Government of National Capital Territory of Delhi	CLA/PE/1/NW/2015	January 15, 2015	Contracts registered are valid from July 1, 2014 to June 30, 2015*

* Our Company is in the process of seeking a clarification with respect to the term of the registration from the Registering Officer, North West District, Government of National Capital Territory of Delhi.

In addition to the above, the following applications for approvals in relation to our National Reference Laboratory are currently pending before the relevant authorities:

S. No.	Description	Registration/Renewal	Authority	Reference Number	Date
1.	Application for declaration of x-ray equipment.	Registration	Radiological Safety Division, Atomic Energy Regulatory Board, Government of India	15-71087	August 28, 2015

Other Major Clinical Laboratories

Other than our National Reference Laboratory, out of the 164 clinical laboratories owned and operated by us in India, in relation to the top 30 clinical laboratories (on the basis of revenue generated by each of the clinical laboratories, together contributing to 59.83% of the total revenue generated by our Company on a consolidated basis) (“**Other Major Clinical Laboratories**”), we currently hold all aforementioned key approvals as required, except the following for which applications are currently pending before the relevant authorities:

S. No.	Description	Registration/Renewal	Authority	Application Number	Date
<i>Gurgaon</i>					
1.	Application for authorisation under the BMW Rules for generation, collection, reception, storage, transport, treatment, disposal and handling of bio-medical wastes.	Renewal	Haryana State Pollution Control Board, Panchkula	-	March 30, 2015
<i>Kolkata</i>					
1.	Renewal of certificate of enlistment (trade license).	Renewal	Bidhannagar Municipal Corporation	54997	August 22, 2015
<i>Sector 18, Noida</i>					

S. No.	Description	Registration/ Renewal	Authority	Application Number	Date
1.	Application for registration under the Clinical Establishments (Registration and Regulation) Act, 2010.	Registration	Ministry of Health and Family Welfare, Government of India	-	September 2, 2015
1.	Application to Atomic Energy Regulatory Board for approval of Institute registration.	Registration	Atomic Energy Regulatory Board	INS-15-36441	August 31, 2015
<i>Safdarjung Development Area, New Delhi</i>					
1.	Application to Atomic Energy Regulatory Board for approval of Institute registration.	Registration	Atomic Energy Regulatory Board	INS-15-36425	August 31, 2015
<i>Hanuman Road, New Delhi</i>					
1.	Application for authorisation under the BMW Rules.	Registration	Delhi Pollution Control Committee	DPCC/EC/3/3/2015/11707	September 3, 2015
<i>Patna</i>					
1.	Application for registration under the Clinical Establishments (Registration and Regulation) Act, 2010.	Registration	Ministry of Health and Family Welfare, Government of India	-	September 2, 2015
2.	Renewal of authorisation for generation and storage of bio-medical wastes under the BMW Rules.	Renewal	Bihar State Pollution Control Board	4429	September 1, 2015
3.	Application to Atomic Energy Regulatory Board for approval of Institute registration.	Registration	Atomic Energy Regulatory Board	INS-15-36463	August 31, 2015
<i>Ghaziabad</i>					
1.	Application for registration under the Clinical Establishments (Registration and Regulation) Act, 2010.	Registration	Ministry of Health and Family Welfare, Government of India	-	September 4, 2015
<i>Punjabi Bagh, New Delhi</i>					
1.	Application for authorisation under the BMW Rules.	Registration	Delhi Pollution Control Committee	DPCC/EC/3/3/2015/11719	September 4, 2015
<i>Chandigarh</i>					
1.	Application for registration under the Clinical Establishments (Registration and Regulation) Act, 2010.	Registration	Ministry of Health and Family Welfare, Government of India	-	September 2, 2015
2.	Application for authorisation under the BMW Rules for generation, collection, reception, storage, transport, treatment,	Registration	Chandigarh State Pollution Control Committee	621	August 28, 2015

S. No.	Description	Registration/ Renewal	Authority	Application Number	Date
	disposal and handling of bio-medical wastes.				
<i>Bengaluru</i>					
1.	Application for authorisation under the BMW Rules.	Registration	Karnataka State Pollution Control Board	98675	August 31, 2015
1.	Application for renewal of trade license.	Renewal	Bruhat Bangalore Mahanagar Palike	R15162503405963	March 19, 2015
<i>Meerut</i>					
1.	Application for registration under the Clinical Establishments (Registration and Regulation) Act, 2010.	Registration	Ministry of Health and Family Welfare, Government of India	-	September 4, 2015
<i>Sector 50, Noida</i>					
1.	Application for registration under the Clinical Establishments (Registration and Regulation) Act, 2010.	Registration	Ministry of Health and Family Welfare, Government of India	-	September 2, 2015
2.	Application for registration under the Pre-Conception and Pre-Natal Diagnostic Techniques Act, 1994.	Registration	Office of Chief Medical Officer, Gautam Buddha Nagar	-	December 4, 2014
<i>Bhubaneswar</i>					
1.	Application for issue of trade license under the Odisha Municipal Corporation Act, 2003 for the year 2015-16.	Renewal	Bhubaneswar Municipal Corporation	29416	September 4, 2015
<i>Jalandhar</i>					
1.	Application for renewal of authorisation under the BMW Rules for generation, storage and disposal of bio medical wastes.	Renewal	Punjab Pollution Control Board	2966683	July 9, 2015
<i>Hyderabad</i>					
1.	Application for registration of Andhra Pradesh allopathic private medical care establishment.	Registration	Office of the District Medical & Health Officer, Hyderabad	-	July 30, 2015
2.	Application of authorisation for generation of bio-medical wastes under the BMW Rules.	Registration	Telangana State Pollution Control Board	3034	September 1, 2015
<i>Kanpur</i>					
1.	Application for registration under the Clinical Establishments and	Registration	Ministry of Health and Family Welfare, Government of India	-	September 2, 2015

S. No.	Description	Registration/Renewal	Authority	Application Number	Date
2.	Regulation) Act, 2010. Renewal of authorisation under the BMW Rules for generation, collection, reception and storage of bio medical wastes.	Renewal	Uttar Pradesh Pollution Control Board	-	September 4, 2015
<i>Indirapuram, Ghaziabad</i>					
1.	Application for registration under the Clinical Establishments (Registration and Regulation) Act, 2010.	Registration	Ministry of Health and Family Welfare, Government of India	-	September 2, 2015
2.	Application of authorisation for collection, reception, storage and disposal of bio-medical wastes under the BMW Rules.	Registration	Uttar Pradesh Pollution Control Board	-	September 3, 2015
<i>Kailash Colony, New Delhi</i>					
1.	Application for authorisation under the BMW Rules	Registration	Delhi Pollution Control Committee	DPCC/EC/3/3/2015/11726	September 7, 2015
2.	Application to Atomic Energy Regulatory Board for approval of Institute registration.	Registration	Atomic Energy Regulatory Board	INS-15-20403	January 22, 2015
<i>Dwarka, Delhi</i>					
1.	Application for authorisation under the BMW Rules	Registration	Delhi Pollution Control Committee	DPCC/EC/3/3/2015/11727	September 7, 2015
2.	Application to Atomic Energy Regulatory Board for approval of Institute registration.	Registration	Atomic Energy Regulatory Board	INS-15-36469	August 31, 2015
<i>Tilak Nagar, New Delhi</i>					
1.	Application for authorisation under the BMW Rules	Registration	Delhi Pollution Control Committee	DPCC/EC/3/3/2015/11725	September 7, 2015
2.	Application to Atomic Energy Regulatory Board for approval of Institute registration.	Registration	Atomic Energy Regulatory Board	INS-15-20379	January 22, 2015
<i>Pune</i>					
1.	Application of authorisation for generation, collection, reception, storage, transportation, treatment and disposal of bio-medical wastes under the BMW Rules.	Registration	Maharashtra Pollution Control Board	32930	May 3, 2013
<i>Jaipur</i>					
1.	Application for registration under the Clinical Establishments (Registration and	Registration	Ministry of Health and Family Welfare, Government of India	-	September 2, 2015

S. No.	Description	Registration/Renewal	Authority	Application Number	Date
2.	Regulation) Act, 2010. Application to Atomic Energy Regulatory Board for approval of Institute registration.	Registration	Atomic Energy Regulatory Board	INS-15-22145	February 26, 2015

Further, in relation to our Other Major Clinical Laboratories, our Company is in the process of making the following applications before the relevant authorities:

S. No.	Location	Description	Registration/Renewal	Authority
1.	Gurgaon	Application for trade license.	Registration	Municipal Corporation, Gurgaon
2.	Gurgaon	Application for registration under the Haryana Clinical Establishments (Registration and Regulation) Act, 2014.	Registration	Chief Medical Officer, Gurgaon
3.	Faridabad	Application for registration under the Haryana Clinical Establishments (Registration and Regulation) Act, 2014.	Registration	Chief Medical Officer, Gurgaon
4.	Kolkata	Authorisation for disposal of bio medical waste under the BMW Rules.	Registration	West Bengal Pollution Control Board

In addition to the above licenses, approvals and registrations, we have also received accreditations in relation to certain of our clinical laboratories. For details of such accreditations, see the section titled “History and Certain Corporate Matters – Awards and Accreditations” on page 158.

2. Patient service centers

As on March 31, 2015, out of the 1,340 patient service centers, 69 patient service centers are owned and operated by us in India. Approvals, licenses and registrations under central or state-level acts, rules and regulations required to operate patient service centers in India differ on the basis of the location as well as the nature of services provided at each of the patient service centers. The key approvals typically required for the operation of patient service centers in India are:

Registration as a ‘Clinical Establishment’: All clinical establishments, including establishments for diagnostics and treatment of diseases, located in Notified Areas as defined under the CERR Act are required to apply for provisional registration as a clinical establishment within six months of establishment, irrespective of prior registration under any other applicable laws, which is valid for an initial period of 12 months, and is subject to renewal. Permanent registration, which would be valid for a period of five years, shall only be applied for and granted if the clinical establishment meets the prescribed standards for registration, once notified.

Shops and establishments’ registrations: In states where patient service centers are situated, registrations under the respective shops and establishment acts of those states, wherever enacted and in force, are required. The terms of such registrations and renewal requirements as well as processes may differ under the various state legislations and may be subject to renewals, as applicable.

Trade licenses: Our Company is required to obtain licenses for the patient service centers, from the respective municipal authorities of areas where such centers are operated. Such licenses may be subject to renewals, as applicable.

Environmental consents: Authorisations for operating a facility for *inter alia* collection, storage and disposal of bio-medical wasters are required to be obtained under the BMW Rules from the relevant central or state pollution control boards where our clinical laboratories are situated. Such licenses also prescribe certain conditions for compliance with standards prescribed under the BMW Rules for discharge of effluents, and require that an agreement be entered into with a duly authorized agency for disposal of bio-medical wastes. Such authorisations would be subject to renewals, as applicable.

We have obtained the necessary approvals, licenses and registrations from appropriate regulatory and governing authorities required to operate patient service centers in India. Certain of these approvals may have lapsed in the ordinary course and we have either made applications to the appropriate authorities for renewal of such approvals, licenses or registrations, as the case may be, or are in the process of making such applications.

D. Intellectual property related approvals

Trademarks

We have obtained certain trademark registrations, details of which are set forth below:

S. No.	Description	Authority	Reference / Registration Number	Validity
1.	Registration of the “Dr. Lal PathLabs” label as a trademark under class 42 in respect of medical, hygienic and beauty care, veterinary and scientific research services that cannot be classified in other classes	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	1717236	August 1, 2018
2.	Registration of the “Dr. Lal PathLabs” logo as a trademark under class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials, not included in other classes	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	1717237	August 1, 2018
3.	Registration of “Haldwani Diagnostics” as a trademark under class 44 in respect of healthcare and medicinal diagnostics services	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	2080799	January 5, 2021
4.	Registration of “Paliwal Diagnostics” as a trademark under class 44 in respect of healthcare and medicinal diagnostics services	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	2080801	January 5, 2021
5.	Registration of “Paliwal Medicare” as a trademark under class 44 in respect of healthcare and medicinal diagnostics services	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	2080802	January 5, 2012
6.	Registration of “Medex Healthcare” as a trademark under class 44 in respect of healthcare and medicinal diagnostics services	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	2080803	January 5, 2021
7.	Registration of “Doctor Diagnostic Centre” logo as a trademark under class 10 in respect of surgical, medical, dental and veterinary apparatus and instruments, including artificial limbs eyes, and teeth*	The Registrar of Trade Marks, Trade Marks Registry, Chennai	1170270	January 29, 2023
8.	Registration of “Doctor Diagnostic Centre” logo as a trademark under	The Registrar of Trade Marks, Trade Marks	1170271	January 29, 2023

S. No.	Description	Authority	Reference / Registration Number	Validity
	class 16 in respect of <i>inter alia</i> advertising material, brochures, hoardings, newspapers and periodicals	Registry, Chennai		
9.	Registration of the “Medicave – Services, We trust” as a trademark under class 39 in respect of ambulance services, medical transport services transportation of patients and storage of human cells*	The Registrar of Trade Marks, Trade Marks Registry, Kolkata	2374223	August 3, 2022
10.	Registration of the “Medicave – Services, We trust” as a trademark under class 42 in respect of medical laboratory services, pharmaceutical research, laboratory testing services, analysis of tissues for medical research, analytical laboratory services, veterinary laboratory services	The Registrar of Trade Marks, Trade Marks Registry, Kolkata	2374224	August 3, 2022
11.	Registration of “Dr. Lal PathLabs – Diagnostic Centre” as a trademark under class 42 in respect of medical, hygienic and beauty care, veterinary and scientific research services that cannot be classified in other classes	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	1244958	October 22, 2023
12.	Registration of “Dr. Lal PathLabs” as a trademark under class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials, not included in other classes	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	1244959	October 22, 2023

* Purchased as part of the business undertaking of M/s Doctors Diagnostics Centre International by our Company pursuant to a slump sale agreement dated January 19, 2011.

Note: In relation to trademarks registered in favour of Amolak Diagnostics Private Limited and Medicave Diagnostic Centre Private Limited, which were amalgamated with our Company pursuant to the Scheme, as described under the section titled “History and Certain Corporate Matters” on page 157, in terms of the Scheme, all assets of Amolak Diagnostics Private Limited and Medicave Diagnostic Centre Private Limited, including intellectual property, were transferred to and vested in our Company with effect from April 1, 2013. Our Company has submitted applications with the relevant Registrars of Trade Marks for intimation of the Scheme and consequent change of name of the proprietor of these trademarks from Amolak Diagnostics Private Limited and Medicave Diagnostic Centre Private Limited to our Company, on September 4, 2015 and September 8, 2015, respectively.

We have applied for registration of trademarks in relation to certain of our logos, including our corporate logo. Currently, there are 33 such applications pending in India and three such applications outside India, as set forth below:

S. No.	Date	Authority	Reference / Registration Number	Description
1.	December 14, 2010	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	2068012	Application for registration of “Care Diagnostics” as a trademark under class 44 in respect of medical diagnostics services. The application was opposed pursuant to the examination report of the Registrar of Trade Marks dated October 11, 2011. Our Company submitted a response

S. No.	Date	Authority	Reference / Registration Number	Description
				dated March 6, 2012 to the objection.
2.	January 5, 2011	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	2080798	<p>Application for registration of “Touch Diagnostics” as a trademark under class 44 in respect of healthcare and medicinal diagnostics services.</p> <p>The application was opposed pursuant to the examination report of the Registrar of Trade Marks dated March 1, 2012. Our Company submitted a response dated March 22, 2012 to the objection.</p>
3.	January 5, 2011	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	2080800	<p>Application for registration of “Mathoshri Diagnostics” as a trademark under class 44 in respect of healthcare and medicinal diagnostics services.</p> <p>The application was opposed pursuant to the examination report of the Registrar of Trade Marks dated November 24, 2011. Our Company submitted a response dated March 22, 2012 to the objection.</p>
4.	April 25, 2011	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	2134040	<p>Application for registration of “Doctors Diagnostics Centre International” label as a trademark under class 44 in respect of healthcare and medical diagnostics services.</p> <p>The application was opposed pursuant to the examination report of the Registrar of Trade Marks dated April 12, 2012. Our Company submitted a response dated July 6, 2012 to the objection.</p>
5.	June 30, 2011	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	2168338	<p>Application for registration of “Amolak Diagnostics” as a trademark under class 44 in respect of healthcare and medical diagnostics services.</p> <p>The application was opposed pursuant to the examination report of the Registrar of Trade Marks dated June 22, 2012. Our Company submitted a response dated July 7, 2012 to the objection.</p>
6.	March 8, 2012	The Registrar of Trade Marks, Trade Marks Registry, Kolkata	2374221	<p>Application for registration of “Medicave – Services, we trust” as a trademark under class 5 in respect of <i>inter alia</i> pharmaceutical preparations, medical preparations, medicines, pharmaceutical drugs, and medicated food supplements.</p>

S. No.	Date	Authority	Reference / Registration Number	Description
				The application was opposed pursuant to an objection filed by Medicare Hygeine Private Limited on November 26, 2013. Our Company submitted a response on September 24, 2014 to the objection and filed evidence along with an application for condonation of delay in such filing on May 12, 2015.
7.	March 8, 2012	The Registrar of Trade Marks, Trade Marks Registry, Kolkata	2374225	<p>Application for registration of “Medicave – Services, we trust” as a trademark under class 44 in respect of <i>inter alia</i> medical services, medical diagnostics services, surgical diagnostics services, medical examination of individuals, healthcare consultancy services and pharmacy advisory services.</p> <p>The application was opposed pursuant to the examination report of the Registrar of Trade Marks dated May 9, 2015. Our Company submitted a response dated May 31, 2013 to the objection.</p>
8.	June 6, 2013	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	2544099	<p>Application for registration of “Dr. Lal PathLabs” logo as a trademark under class 44 in respect of healthcare and medicinal diagnostics services.</p> <p>The application was opposed pursuant to the examination report of the Registrar of Trade Marks dated July 4, 2014. Our Company submitted a response dated July 29, 2014 to the objection.</p>
9.	June 6, 2013	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	2544100	<p>Application for registration of “Dr. Lal PathLabs” as a trademark under class 44 in respect of healthcare and medical diagnostics services.</p> <p>The application was opposed pursuant to the examination report of the Registrar of Trade Marks dated July 4, 2014. Our Company submitted a response dated August 1, 2014 to the objection.</p>
10.	September 9, 2013	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	2593409	<p>Application for registration of “Amolak” as a trademark under class 44 in respect of healthcare, medical diagnostics services and pathological services.</p> <p>The application was opposed pursuant to the examination report of the Registrar of Trade Marks</p>

S. No.	Date	Authority	Reference / Registration Number	Description
				dated September 29, 2014.
11.	September 12, 2013	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	2595263	Application for registration of “Amolak (Hindi)” logo as a trademark under class 44 in respect of healthcare, medical diagnostics services and pathological services.
12.	September 18, 2013	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	2598130	Application for registration of “Amolak Diagnostics (Hindi)” composite mark as a trademark under class 44 in respect of healthcare, medical diagnostics services and pathological services. The application was opposed pursuant to the examination report of the Registrar of Trade Marks dated November 7, 2014.
13.	September 18, 2013	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	2598131	Application for registration of “Amolak” logo as a trademark under class 44 in respect of healthcare, medical diagnostics services and pathological services. The application was opposed pursuant to the examination report of the Registrar of Trade Marks dated November 7, 2014.
14.	September 18, 2013	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	2598132	Application for registration of “Amolak Diagnostics” composite mark as a trademark under class 44 in respect of healthcare, medicinal diagnostics services and pathological services. The application was opposed pursuant to the examination report of the Registrar of Trade Marks dated November 7, 2014.
15.	November 22, 2013	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	2632053	Application for registration of “Dr. Lal” as a trademark under class 44 in respect of healthcare and medical diagnostics services. The application was opposed pursuant to the examination report of the Registrar of Trade Marks dated December 5, 2014. Our Company submitted a response dated March 3, 2015 to the objection.
16.	December 24, 2014	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	2870186	Application for registration of “Dr. Lal PathLabs” as a trademark under class 41 in respect of education, providing of training, entertainment, sporting and cultural activities.
17.	December 24, 2014	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	2870187	Application for registration of “Dr. Lal PathLabs – Institute of Laboratory Medicine” composite

S. No.	Date	Authority	Reference / Registration Number	Description
				mark as a trademark under class 41 in respect of education, providing of training, entertainment, sporting and cultural activities.
18.	December 24, 2014	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	2870188	Application for registration of “Dr. Lal PathLabs” composite mark as a trademark under class 41 in respect of education, providing of training, entertainment, sporting and cultural activities.
19.	August 11, 2015	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	3031902	Application for registration of “Dr. Lal” as a trademark under class 5 in respect of pharmaceuticals and veterinary preparation, dietary supplements for humans and animals.
20.	August 11, 2015	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	3031903	Application for registration of “Dr. Lal” as a trademark under class 9 in respect of scientific and life saving and teaching apparatus.
21.	August 11, 2015	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	3031904	Application for registration of “Dr. Lal” as a trademark under class 10 in respect of surgical, medical, dental and veterinary apparatus and instruments.
22.	August 11, 2015	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	3031905	Application for registration of “Dr. Lal” as a trademark under class 31 in respect of foodstuffs for animals.
23.	August 11, 2015	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	3031906	Application for registration of “Pathvets” as a trademark under class 1 in respect of chemical substances for preserving foodstuff.
24.	August 11, 2015	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	3031907	Application for registration of “Pathvets” as a trademark under class 5 in respect of pharmaceuticals and veterinary preparation, dietary supplements for humans and animals.
25.	August 11, 2015	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	3031908	Application for registration of “Pathvets” as a trademark under class 9 in respect of scientific and life saving and teaching apparatus.
26.	August 11, 2015	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	3031909	Application for registration of “Pathvets” as a trademark under class 10 in respect of surgical, medical, dental and veterinary apparatus and instruments.
27.	August 11, 2015	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	3031910	Application for registration of “Pathvets” as a trademark under class 31 in respect of foodstuff for animals.
28.	August 11, 2015	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	3031911	Application for registration of “Pathvets” as a trademark under class 44 in respect of healthcare and medical diagnostic and pathological services.
29.	August 11, 2015	The Registrar of Trade Marks, Trade Marks	3031912	Application for registration of “Pathvets – Veterinary Diagnostics”

S. No.	Date	Authority	Reference / Registration Number	Description
		Registry, New Delhi		with device as a trademark under class 44 in respect of healthcare and medical diagnostic and pathological services.
30.	August 11, 2015	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	3031913	Application for registration of “Lal PathLabs” as a trademark under class 44 in respect of healthcare and medical diagnostic and pathological services.
31.	August 11, 2015	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	3031914	Application for registration of “LalpathLabs” as a trademark under class 44 in respect of healthcare and medical diagnostic and pathological services.
32.	August 11, 2015	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	3031915	Application for registration of “Dr. Lal” as a trademark under class 44 in respect of healthcare and medical diagnostic and pathological services.
33.	August 11, 2015	The Registrar of Trade Marks, Trade Marks Registry, New Delhi	3031916	Application for registration of “Dr. Lal” as a trademark under class 1 in respect of chemical substances for preserving foodstuff.
<i>International trademarks</i>				
34.	September 23, 2014	Registrar, Department of Patents, Designs & Trade Marks, Trade Marks Registry Wing, Dhaka	178900	Application for registration of the “Dr. Lal PathLabs” logo as a trademark under class 44 in respect of <i>inter alia</i> medical services, medical diagnostic services (testing and analysis), surgical diagnostic services and medical examination of individuals.
35.	September 22, 2014	Registering Authority under the Nepal Patent, Design & Trade Marks Act, 1965	55155	Application for registration of the “Dr. Lal PathLabs” logo as a trademark under class 44 in respect of <i>inter alia</i> medical services, medical diagnostic services (testing and analysis), surgical diagnostic services and medical examination of individuals.
36.	October 1, 2014	Trademarks, Patents and Designs Registry, Commercial Law Department, Federal Ministry of Industry, Trade and Investment, Federal Republic of Nigeria	F/TM/O/2014/22299	Application for registration of the “Dr. Lal PathLabs” logo as a trademark in respect of <i>inter alia</i> medical diagnostic services (testing and analysis, surgical diagnostic services and medical examination of individuals).

Note: In relation to trademarks applied for on behalf of Amolak Diagnostics Private Limited and Medicave Diagnostic Centre Private Limited, which were amalgamated with our Company pursuant to the Scheme, as described under the section titled “History and Certain Corporate Matters” on page 157, in terms of the Scheme, all assets of Amolak Diagnostics Private Limited and Medicave Diagnostic Centre Private Limited, including intellectual property, were transferred to and vested in our Company with effect from April 1, 2013. Our Company has submitted applications with the relevant Registrars of Trade Marks for intimation of the Scheme and consequent change of name of the proprietor of these trademarks in such applications from Amolak Diagnostics Private Limited and Medicave Diagnostic Centre Private Limited to our Company, on September 4, 2015 and September 8, 2015, respectively.

Copyrights

We have obtained certain copyright registrations in the name of (Hony.) Brig. Dr. Arvind Lal, one of our Promoters, details of which are set forth below:

S. No.	Description	Authority	Reference / Registration Number	Date
1.	Artistic work for “Dr. Lal PathLabs” – non three dimensional, coloured, without a tag line	Deputy Registrar of Copyrights, Copyright Office, New Delhi, Government of India	A-107868/2013	November 21, 2013
2.	Artistic work for Dr. Lal PathLabs – non three dimensional, black and white, without a tag line.	Deputy Registrar of Copyrights, Copyright Office, New Delhi, Government of India	A-107869/2013	November 21, 2013
3.	Artistic work for Dr. Lal PathLabs – non three dimensional, black and white, with a tag line “India’s leading and most reputed diagnostic chain”.	Deputy Registrar of Copyrights, Copyright Office, New Delhi, Government of India	A-107870/2013	November 21, 2013
4.	Artistic work for Dr. Lal PathLabs – non three dimensional, coloured, with a tag line “India’s leading and most reputed diagnostic chain”.	Deputy Registrar of Copyrights, Copyright Office, New Delhi, Government of India	A-107871/2013	November 21, 2013
5.	Artistic work for Dr. Lal PathLabs – three dimensional, black and white, without a tag line	Deputy Registrar of Copyrights, Copyright Office, New Delhi, Government of India	A-107872/2013	November 21, 2013
6.	Artistic work for Dr. Lal PathLabs – three dimensional, black and white, with a tag line “India’s leading and most reputed diagnostic chain”.	Deputy Registrar of Copyrights, Copyright Office, New Delhi, Government of India	A-107873/2013	November 21, 2013
7.	Artistic work for Dr. Lal PathLabs – three dimensional, coloured, without a tag line.	Deputy Registrar of Copyrights, Copyright Office, New Delhi, Government of India	A-107874/2013	November 21, 2013
8.	Artistic work for Dr. Lal PathLabs – three dimensional, coloured, with a tag line “India’s leading and most reputed diagnostic chain”.	Deputy Registrar of Copyrights, Copyright Office, New Delhi, Government of India	A-107875/2013	November 21, 2013

Other arrangements with respect to intellectual property

Our Company currently does not hold, nor is in the process of obtaining, a license to use any intellectual property not registered in the name of our Company, pursuant to an agreement or otherwise.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Offer

- Our Board has, pursuant to its resolution dated August 21, 2015, authorised the Offer, subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.
- The shareholders of our Company have authorised the Offer by a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the EGM held on August 24, 2015 and authorised the Board to take decisions in relation to this Offer.
- (Hony.) Brig. Dr. Arvind Lal specifically confirms that he has consented to participate in the Offer for Sale by offering up to 1,261,996 Equity Shares by his letter dated September 11, 2015.
- Dr. Vandana Lal specifically confirms that she has consented to participate in the Offer for Sale by offering up to 2,056,747 Equity Shares by her letter dated September 11, 2015.
- Eskay House (HUF) specifically confirms that it has consented to participate in the Offer for Sale by offering up to 238,226 Equity Shares by its letter dated September 11, 2015.
- Mr. Anjaneya Lal specifically confirms that he has consented to participate in the Offer for Sale by offering up to 550,386 Equity Shares by his letter dated September 11, 2015.
- Wagner specifically confirms that Wagner has consented to participate in the Offer for Sale by offering up to 5,860,000 Equity Shares pursuant to a resolution of its board of directors dated August 31, 2015.
- WCF specifically confirms that WCF has consented to participate in the Offer for Sale by offering up to 1,471,575 Equity Shares pursuant to a resolution of its board of directors dated August 21, 2015.
- SIH specifically confirms that SIH has consented to participate in the Offer for Sale by offering up to 161,070 Equity Shares pursuant to a resolution of its board of directors dated August 21, 2015.
- The Board has taken on record the approval of the Offer for Sale pursuant to its resolution dated September 11, 2015 and the IPO Committee has approved this Draft Red Herring Prospectus pursuant to its resolution dated September 12, 2015.
- In-principle approval for the listing of our Equity Shares from the NSE dated [●]; and
- In-principle approval for the listing of our Equity Shares from the BSE dated [●].

Prohibition by SEBI or governmental authorities

We confirm that our Company, Promoters, Promoter Group or Directors have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other authorities. Further, SEBI has not initiated any action against the entities associated with the securities market and with which our Directors are associated.

None of our Directors are associated with the securities market in any manner, including securities market related business and no action by SEBI has been initiated against our Directors with respect to entities with which our Directors are associated as promoters or directors.

Each of the Investor Selling Shareholders severally and not jointly specifically confirm that they have not been 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.

Prohibition by RBI

None of our Company, our Directors, our Promoters, relatives of Promoters (as defined under the Companies Act, 2013) or members of our Promoter Group have been declared as wilful defaulters by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

Eligibility for this Offer

Our Company is an unlisted company, eligible for the Offer in accordance with Regulation 26(1) of the SEBI

Regulations and complying with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each);
- Our Company has a minimum average pre-tax operating profit of ₹ 150 million, calculated on restated and consolidated basis during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each);
- The aggregate size of the proposed Offer and all previous issues made in the same financial years in terms of issue size is not expected to exceed five times the pre-Offer net worth of our Company as per the audited balance sheet of the preceding financial year; and
- Our Company did not change its name in the last Fiscal Year, and revenue for the last Fiscal Year was earned by our Company under the name 'Dr. Lal PathLabs Private Limited'. The name of our Company has changed to 'Dr. Lal PathLabs Limited' in Fiscal Year 2016, upon conversion of our Company into a public limited company pursuant to a special resolution of the shareholders of our Company dated August 7, 2015 and a fresh certificate of incorporation was issued by the RoC on August 19, 2015.

Our Company's net worth and net tangible assets derived from our restated consolidated financial statements included in this Draft Red Herring Prospectus, as at and for the preceding five Fiscal Years are as given below:

(In ₹ million)

Particulars	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011
Net Worth ⁽¹⁾	3,410.82	2,314.89	1,620.54	1,159.68	928.42
Net Tangible assets ⁽²⁾	2,838.57	1,705.85	1,124.36	736.64	519.00

⁽¹⁾ 'Net worth' has been defined as the aggregate of the paid-up share capital, securities 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 the debit balance of the profit and loss account.

⁽²⁾ 'Net tangible assets' means the sum of all net assets of our Company excluding intangible assets as defined in Accounting Standard 26 issued by Institute of Chartered Accountants of India.

Our Company's average pre-tax operating profit derived from our restated consolidated financial statements included in this Draft Red Herring Prospectus, as at and for the preceding five Fiscal Years are as given below:

(In ₹ million)

Particulars	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011
Pre-Tax Operating Profit ⁽¹⁾	1,283.45	1,127.23	778.50	674.29	436.58

Average pre-tax operating profit based on the three most profitable years (Fiscal Years 2013, 2014 and 2015) out of the immediately preceding five years is ₹ 1,063.06 million

⁽¹⁾ Calculated on the basis of restated consolidated summary statements. Pre-tax operating profit is defined as restated profit before tax excluding restated other income (not related to business activity) but before loss on sale of investments and finance cost.

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 shall not be less than 1,000; otherwise the entire application money will be refunded. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company and the respective Selling Shareholders shall be liable to pay interest on the application money at the rate of 15% per annum for the period of delay. However, subject to applicable law, the respective Investor Selling Shareholders shall not be liable to reimburse any expenses towards refund or any interest thereon in respect to Allotment of their respective proportion of the Investor Offered Shares or otherwise, unless the failure or default or delay, as the case may be, is solely on account of such Investor Selling Shareholder.

This Offer is being made for at least 10% of the fully diluted post-Offer capital, pursuant to Rule 19(2)(b) of the SCRR read with Regulation 41 of the SEBI Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI Regulations, wherein 50% of the Offer shall be available for allocation on a proportionate basis to QIBs. Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor

Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. 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 from them at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis. For further details, see “*Offer Procedure*” on page 405.

Our Company is in compliance with the following conditions specified under Regulation 4(2) of the SEBI Regulations:

- (a) Our Company, our Promoters, the members of our Promoter Group, our Directors and the persons in control of our Company are not debarred from accessing the capital markets under any order or direction passed by SEBI;
- (b) The companies with which our Promoters, our Directors or persons in control of our Company are or were associated as promoter, directors or persons in control are not debarred from accessing capital markets under any order or direction passed by SEBI;
- (c) Our Company has applied to the BSE and the NSE for obtaining their in-principle listing approval for listing of the Equity Shares under this Offer and has received the in-principle approvals from the BSE and the NSE pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, the [●] shall be the Designated Stock Exchange;
- (d) Our Company along with the Registrar to the Offer has entered into agreements dated September 9, 2015 and September 2, 2015 with the NSDL and CDSL, respectively, for dematerialisation of the Equity Shares; and
- (e) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.

Each of the Investor Selling Shareholders severally and not jointly specifically confirm that they have not been prohibited or debarred 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 authority.

We propose to meet our expenditure towards the objects of the Offer entirely out of the proceeds of the Offer, and hence, no amount is proposed to be raised through any other means of finance. Accordingly, Clause VII C (1) of Part A of Schedule VIII of the SEBI Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the amount to be raised through the Offer and existing identifiable internal accruals) does not apply. For further details in this regard, see the section titled “*Objects of the Offer*” on page 58.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN 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 THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED AND CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (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 THIS DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDERS ARE PRIMARILY RESPONSIBLE FOR ALL THE STATEMENTS SPECIFICALLY CONFIRMED BY SUCH PROMOTER SELLING SHAREHOLDER AND SUCH INVESTOR SELLING SHAREHOLDER IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES AND THEIR RESPECTIVE PROPORTION OF THE EQUITY SHARES OFFERED IN THE OFFER FOR SALE, THE BOOK RUNNING LEAD MANAGERS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED AND CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED AND CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 12, 2015, WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS 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 IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS (“DRHP”) PERTAINING TO THE SAID OFFER;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, 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 ISSUER, WE CONFIRM THAT:
 - (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI 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 SEBI, 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, THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT BESIDES OURSELVES ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE 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 SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' 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 SEBI 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 SPECIFIED SECURITIES 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 ISSUE. – NOT APPLICABLE.
8. WE CERTIFY THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. –COMPLIED WITH TO THE EXTENT APPLICABLE.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THIS OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) 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 ISSUER AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED FROM THE OFFER SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER SECTION 40(3) OF THE COMPANIES ACT, 2013 AS NOTIFIED.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS 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, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.

- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 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 THIS DRAFT RED HERRING PROSPECTUS:**
 - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND**
 - (B) AN UNDERTAKING FROM THE ISSUER 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 SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 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 ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC. - REFER TO THE DUE DILIGENCE PROCESS NOTE ENCLOSED AS PART A.**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. - REFER TO THE CHECKLIST ENCLOSED AS PART B.**
- 16. WE ENCLOSE A STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE MERCHANT BANKERS BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR. - REFER TO ANNEXURE C.**
- 17. WE CERTIFY THAT THE PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS IN ACCORDANCE WITH ACCOUNTING STANDARD 18, AS CERTIFIED BY NANGIA & CO., CHARTERED ACCOUNTANTS, BY WAY OF CERTIFICATE DATED SEPTEMBER 10, 2015).**
- 18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE 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 the Companies Act, 2013

or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to this Offer will be complied with at the time of registration of the Prospectus with the Registrar of Companies in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Price information of past issues handled by the Book Running Lead Managers

The price information of past issues handled by Kotak Mahindra Capital Company Limited is as follows:

S. No.	Issue Name	Issue size ₹ Mn.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day (₹)	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar day from listing day (closing)
1.	Power Mech Projects Limited	2,732.16	640.00	August 26, 2015	600.00	586.55	-8.35%	7,791.85	601.05	7,655.05	-	-	-	-
2.	Manpasand Beverages Limited	4,000.00	320.00	July 9, 2015	300.00	327.75	2.42%	8,328.55	338.90	8,609.85	367.70	8,337.00	394.25	8,564.60
3.	Adlabs Entertainment Limited ⁽¹⁾	3,745.94	180.00	April 6, 2015	162.20	192.65	7.03%	8,659.90	175.90	8,750.20	144.45	8,305.25	146.95	8,324.80
4.	Ortel Communications Limited	1,736.49	181.00	March 19, 2015	160.05	162.25	-10.36%	8,634.65	147.50	8,492.30	156.00	8,660.30	174.35	8,606.00

Source: www.nseindia.com.

Notes:

1. In Adlabs Entertainment Limited, the issue price to retail individual investor was ₹168 per equity share after a discount of ₹12 per equity share. The Anchor Investor Issue price was ₹221 per equity share.
2. In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.
3. Nifty is considered as the benchmark index.

Summary statement of price information of past issues handled by Kotak Mahindra Capital Company Limited:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ Million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			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 – September 10, 2015	3	10,478.10	-	-	1	-	-	2	-	-	1	-	-	1
2014-15	1	1,736.49	-	-	1	-	-	-	-	-	1	-	-	-
2013-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The price information of past issues handled by Citigroup Global Markets India Private Limited is as follows:

S. No.	Issue Name	Issue size ₹ Mn.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day (₹)	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar day from listing day (closing)
1.	Just	9,191.41	530.00	Jun	590.00	611.45	15.37%	19,568.22	629.30	19,177.93	625.45	18,629.15	655.80	19,495.82

S. No.	Issue Name	Issue size ₹ Mn.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day (₹)	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar day from listing day (closing)
2.	Dial Limited UFO Moviez Limited	6,000.00	625.00	5, 2013 May 14, 2015	600.00	598.80	- 4.19%	27,206.06	600.15	27,957.50	562.75	27,188.38	553.25	26,425.30

Source: www.bseindia.com.

Notes:

1. Benchmark index is BSE Sensex.
2. In case 10th/ 20th/ 30th day is not a trading day, closing price on the BSE of a trading day immediately prior to the 10th/ 20th/ 30th day, is considered.
3. A discount of ₹47 per Equity Share was offered to Retail Individual Bidders in the IPO.

Summary statement of price information of past issues handled by Citigroup Global Markets India Private Limited:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ Million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			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%
Apr 1, 2014 – June 30, 2015	1	6,000.00	-	-	1	-	-	-	-	-	1	-	-	-
2013-14	1	9,191.41	-	-	-	-	-	1	-	-	-	-	-	1
2012-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the BRLMs, as specified in circular no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please refer to the websites of Kotak and Citi at <http://investmentbank.kotak.com/track-record/Disclaimer.html> and <http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm>, respectively.

Disclaimer from our Company, the Selling Shareholders, our Directors, and the Book Running Lead Managers

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or in any advertisements or any other material issued by or at our Company's instance. It is clarified that the respective Promoter Selling Shareholders are providing information and undertakings in this Draft Red Herring Prospectus only about and in relation to themselves and their respective proportion of the Promoter Offered Shares and the respective Promoter Selling Shareholders accept/undertake no responsibility or liability for any other statement or information contained in this Draft Red Herring Prospectus. It is further clarified that the respective Investor Selling Shareholders are providing information and undertakings in this Draft Red Herring Prospectus only about and in relation to themselves and their respective proportion of the Investor Offered Shares and the respective Investor Selling Shareholders and their respective directors, affiliates, associates and officers accept/undertake no responsible or liable for any other statement or information contained in this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, www.lalpathlabs.com, or the website of any of our Promoters, Promoter Group or of any affiliate or associate of our Company, would be doing so at his or her own risk.

Caution

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into among the Underwriters, our Company, the Promoter Selling Shareholders, the Investor Selling Shareholders and the Registrar.

All information shall be made available by our Company, the respective Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information will be made available for a section of investors in any manner whatsoever including at road show presentations, in research or sales reports, at Syndicate Bidding Centres or elsewhere.

Neither our Company, nor the respective Promoter Selling Shareholders and the respective Investor Selling Shareholders, nor any member of the Syndicate shall be liable to Bidders for any failure in uploading 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 Promoter Selling Shareholders and the Investor Selling Shareholders and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and that they shall not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the respective Promoter Selling Shareholders and the respective Investor Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

The BRLMs and their respective affiliates may engage in transactions with, and perform services for, our Company, our Promoters, members of our Promoter Group, the respective Promoter Selling Shareholders and the respective Investor Selling Shareholders or their respective associates or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company, Promoters, members of our Promoter Group, the respective Promoter Selling Shareholders and the respective Investor Selling Shareholders or their respective associates or affiliates, for which they have received, and may in the future receive, compensation.

Disclaimer in Respect of Jurisdiction

This Offer, in part, is being made in India to persons resident in India, including Indian national residents in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), or trusts under applicable trust law and who are authorized under their respective constitutions to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the IRDA, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted Non-Residents including FPIs, FIIs and Eligible NRIs, AIFs, QFIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at New Delhi, India only.

This Draft Red Herring Prospectus will not, however, constitute an offer to sell or an invitation to subscribe for Equity 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.

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. Accordingly, the Equity Shares represented hereby 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, the Promoter Selling Shareholders or the Investor Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares 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 state securities laws. Accordingly, the Equity Shares are being offered and sold only (i) outside the United States in offshore transactions in accordance with Regulation S under the Securities Act, and (ii) in the United States only to a limited number of “qualified institutional buyers” (as defined in Rule 144A under the Securities Act) and referred to in this Prospectus as “U.S. QIBs” (which, for the avoidance of doubt, does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Prospectus as “QIBs”) acting for their own account or for the account of another U.S. QIB (and meets the other requirements set forth herein), in reliance on the exemption from registration under the Securities Act provided by Rule 144A or other available exemption.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated to us by the NSE, subsequent to scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the Registrar of Companies.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the Registrar of Companies.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at the Securities and Exchange Board of India, Corporation Finance Department, Plot No. C4-A, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with Registrar of Companies at the office of the Registrar of Companies situated at the address mentioned below:

The Registrar of Companies, NCT of Delhi and Haryana

4th Floor, IFCI Tower

61, Nehru Place

New Delhi 110 019, India

Telephone: +91 11 2623 5707

Facsimile: +91 11 2623 5702

Listing

The Equity Shares issued through this Draft Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. The [●] will be the Designated Stock Exchange with which the 'Basis of Allotment' will be finalised.

If permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, our Company, the respective Selling Shareholders shall be severally liable to, forthwith repay, in accordance with applicable law, all monies received from the applicants in pursuance of the Red Herring Prospectus.

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders shall 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 12 Working Days of the Bid/Offer Closing Date or such other period as may be prescribed. If our Company does not allot Equity Shares pursuant to the Offer within 12 Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from bidders, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company and the respective Selling Shareholders shall be liable to pay interest on the application money at the rate of 15% per annum for the period of delay. However, subject to applicable law, the respective Investor Selling Shareholders shall not be liable to reimburse any expenses towards refund or any interest thereon in respect to Allotment of their respective proportion of the Investor Offered Shares or otherwise, unless the failure or default or delay, as the case may be, is solely on account of such Investor Selling Shareholder.

Consents

Consents in writing of (a) the Selling Shareholders, our Directors, our Chief Financial Officer, our Company Secretary and Compliance Officer, the BRLMs, the lenders to our Company, as applicable, CRISIL, Nangia & Co. Chartered Accountants, the legal counsels, the Bankers to our Company and the Registrar to the Offer have been obtained; and consents in writing of (b) the Syndicate Members, the Escrow Collection Banks and the Refund Banks 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 Sections 26 and 32 of the Companies Act, 2013. Further, such consents have not been withdrawn up to the time of filing of this Draft Red Herring Prospectus with SEBI.

In accordance with the Companies Act, 2013 and the SEBI Regulations, the Auditors namely M/s S.R. Batliboi & Co. LLP, Chartered Accountants, have given their written consent to include their name as required 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 respect of the reports of the Auditors on our restated consolidated financial statements and restated unconsolidated financial statements, each dated August 28, 2015 and the statement of tax benefits dated August 28, 2015 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

Expert Opinion

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

Our Company has received written consent from the Auditors namely M/s S.R. Batliboi & Co. LLP, Chartered Accountants, to include their name as required 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 respect of the reports of the Auditors on our restated consolidated financial statements and restated unconsolidated financial statements, each dated August 28, 2015 and the statement of tax benefits dated August 28, 2015 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring

Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

In addition, Nangia & Co., Chartered Accountants, have consented to be named as an expert in this Draft Red Herring Prospectus, and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer include, among others, underwriting and lead management fees, selling commissions, SCSBs’ commissions/ fees, printing and distribution expenses, legal fees, Offer related advertisements and publicity, registrar and depository fees and listing fees.

Other than listing fees, which will be paid by the Company, all costs, fees and expenses with respect to the Offer will be shared between the Selling Shareholders, in proportion to their respective proportion of the Offered Shares, upon successful completion of the Offer. Upon the successful completion of the Offer, each of the Selling Shareholders agree that they shall severally and not jointly reimburse the Company, on a pro-rata basis, in proportion to their respective proportion of the Offered Shares, for any expenses incurred by the Company on behalf of such Selling Shareholder.

The break-down for the Offer expenses is as follows:

S. No.	Activity Expense	Estimated amount* (₹ in million)	Percentage of Total Estimated Offer Expenses*	Percentage of Offer Size*
1.	Fees of the BRLMs, underwriting commission, brokerage and selling commission (including commissions to SCSBs for ASBA Applications) and Commission payable to Registered Brokers	[●]	[●]	[●]
2.	Processing fee to the SCSBs for processing Bid cum Application Forms procured by Syndicate/Sub Syndicate and submitted to SCSBs or procured by Registered Brokers	[●]	[●]	[●]
3.	Fees to the Escrow Collection Banks/ Bankers to the Offer and Refund Banks.	[●]	[●]	[●]
4.	Offer related advertisements and marketing expenses, printing and stationery, distribution, postage etc.	[●]	[●]	[●]
5.	Fees to the Registrar to the Offer	[●]	[●]	[●]
6.	Listing fees	[●]	[●]	[●]
7.	Other expenses (legal advisors and other advisors etc.)	[●]	[●]	[●]
	Total Estimated Offer Expenses	[●]	[●]	[●]

* To be incorporated in the Prospectus after finalisation of the Offer Price

Fees, Brokerage and Selling Commission Payable to the Book Running Lead Managers and the Syndicate Members

The total fees payable to the BRLMs and the Syndicate Members (including underwriting commission, brokerage and selling commission and reimbursement of their out-of-pocket expense) will be as stated in the engagement letter dated September 12, 2015 executed amongst our Company, the Selling Shareholders, Kotak and Citi, and as per the Syndicate Agreement, copies of which will be available at the Registered Office and our Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Fees payable to the Registered Brokers and processing fees for SCSBs

[●]

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of application, data entry, printing of Allotment Advice/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Registrar Agreement, a copy of which will be available at the Registered Office and our Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

The Registrar to the Offer shall be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send such refund order, subject to postal rules, or Allotment Advice by registered post/speed post/ordinary post.

Public or rights issues during the last five years

Our Company has not made any previous public issue (including any rights issue to the public) during the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of securities otherwise than for cash

Except as disclosed under the section titled “*Capital Structure – Notes to Capital Structure – Share Capital History*” on page 73, our Company has not issued any securities for consideration other than cash.

Previous capital issues in the last three years

Except as disclosed under the section titled “*Capital Structure*” on page 71, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. None of our Subsidiaries is listed on any stock exchange in India or overseas as on the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects

There has been no public issue (including any rights issue to the public) by our Company or Subsidiaries in the 10 years immediately preceding the date of this Red Herring Prospectus.

Performance vis- à-vis Objects: Last Issue of Subsidiaries

Our Subsidiaries have not made any public or rights issues in the 10 years immediately preceding the date of this Red Herring Prospectus.

Underwriting commission, brokerage and selling commission on previous issues

There has been no public issue of the Equity Shares in the past. Thus, 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 incorporation.

Outstanding debentures, bonds, preference shares or other instruments

Other than CCPS and employee stock options or Equity Shares granted under ESOP 2010 and transferred pursuant to ESOP 2015 as disclosed in the section “*Capital Structure – Notes to Capital Structure – Employee Stock Option Schemes*” on page 84, our Company has no outstanding debentures or bonds or redeemable preference shares or other instruments as of the date of this Draft Red Herring Prospectus.

Partly paid-up shares

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up equity shares of our Company.

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 as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records, including refund orders despatched to the Bidders, with the Registrar to the Offer for a period of at least three years from the date of commencement of trading of the Equity Shares, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the non-ASBA process may be addressed to the Registrar to the Offer, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, amount paid on application, date of Bid cum Application Form and the name and address of the Syndicate Member or the Registered Broker where the Bid cum Application Form was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSBs or the Syndicate Member at the Specified Locations or the Registered Broker with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, date of Bid cum Application Form and the name and address of the Designated Branch or the collection centre of the SCSB or the Syndicate Member at the Specified Locations or the Registered Broker at the Broker Centres where the Bid cum Application Form was submitted.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. With respect to the Bid cum Application Forms submitted with Registered Brokers, investors shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI Regulations

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer for the redressal of routine investor grievances shall be 15 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders' Relationship Committee, which is responsible for redressal of grievances of security holders of our Company, comprising of Mr. Saurabh Srivastava as chairman and Mr. Rahul Sharma and Mr. Naveen Wadhera as members. For further details, see section titled "*Our Management*" on page 170.

Our Company has appointed Mr. Rajat Kalra as the Company Secretary and Compliance Officer and he may be contacted in case of any pre-Offer or post-Offer-related problems. He can be contacted at the following address:

Mr. Rajat Kalra

12th Floor, Tower B, SAS Tower
Sector 38, Medicity
Gurgaon 122 001
Haryana, India
Telephone: +91 124 3016 557
Facsimile: +91 124 4234 468
E-mail: cs@lalpathlabs.com

Disposal of investor grievances by listed Subsidiaries

As on the date of this Draft Red Herring Prospectus, none of our Subsidiaries is listed on any stock exchange, and there are no investors' complaints pending against our Subsidiaries.

Change in Auditors

There have been no changes in the auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus.

Capitalisation of Reserves or Profits

Other than as disclosed under the section titled "*Capital Structure*" on page 71, our Company has not capitalised its reserves or profits at any time during the last five years preceding this Draft Red Herring Prospectus.

Revaluation of Assets

Our Company has not revalued its assets during the last five years preceding this Draft Red Herring Prospectus.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to this Offer are subject to the provisions of the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable) the SCRA, SCRR, SEBI Regulations, our Memorandum and Articles, the terms of the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the Revision Form, the Allotment Advice, CAN, Equity Listing Agreements and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of this Offer and to the extent applicable or such other conditions as may be prescribed by any governmental, regulatory or statutory authority while granting its approval for the Offer.

Offer for Sale

The Offer comprises an offer for sale of up to 11,600,000 Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] million through an Offer for Sale by the Selling Shareholders, of which, as severally and not jointly, specifically confirmed by each of the Selling Shareholders: (i) up to 1,261,996 Equity Shares aggregating up to ₹ [●] million are being offered by (Hony.) Brig. Dr. Arvind Lal, (ii) up to 2,056,747 Equity Shares aggregating up to ₹ [●] million are being offered by Dr. Vandana Lal, (iii) up to 238,226 Equity Shares aggregating up to ₹ [●] million are being offered by Eskay House (HUF), (iv) up to 550,386 Equity Shares aggregating up to ₹ [●] million are being offered by Mr. Anjaneya Lal, (v) up to 5,860,000 Equity Shares aggregating up to ₹ [●] million are being offered by Wagner, (vi) up to 1,471,575 Equity Shares aggregating up to ₹ [●] million are being offered by WCF, and (vii) up to 161,070 Equity Shares aggregating up to ₹ [●] million are being offered by SIH, in terms of the Red Herring Prospectus.

Ranking of Equity Shares

The Equity Shares being issued and transferred in the Offer shall be subject to the provisions of the Companies Act, 2013, Companies Act, 1956 (to the extent applicable), our Memorandum and Articles and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend. The Allottees will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment, in accordance with the provisions of the Companies Act and the Articles. See the section titled “*Main Provisions of the Articles of Association*” on page 461 for a description of significant provisions of our Articles.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum and Articles, the Equity Listing Agreements and other applicable law. In relation to the Offer for Sale, the dividend for the entire year shall be payable to the transferees. For further details in relation to dividends, see the sections titled “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 195 and 461, respectively.

Face Value and Offer Price

The face value of the Equity Shares is ₹ 10 each. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share. The Price Band and minimum Bid lot will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the BRLMs, and advertised in [●] edition of [●] and [●] edition of [●], being an english and a hindi national daily newspaper, each with wide circulation, respectively, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock

Exchanges. The Offer Price shall be determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with Regulations issued by SEBI

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or ‘e-voting’;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the Equity Listing Agreements, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see the section titled “*Main Provisions of the Articles of Association*” on page 461.

Market Lot and Trading Lot

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares being offered through the Red Herring Prospectus can be applied for in the dematerialised form only.

Further, as per the provisions of the SEBI Regulations, the trading of our Equity Shares shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. See “*Offer Procedure – Allotment Procedure and Basis of Allotment*” on page 450.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Period of operation of subscription list

See the section titled “*Offer Structure – Bid/Offer Programme*” on page 403.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debenture) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in

whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest in relation to such securities, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered Office or with the Registrar to the Offer and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If the investors require to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer in accordance with SEBI Regulations. In the event our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, as applicable, including through devolvement to the Underwriters, as applicable, within sixty (60) days from the date of Bid/Offer Closing Date, our Company shall forthwith refund the entire subscription amount received. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company and the respective Selling Shareholders shall be liable to pay interest on the application money at the rate of 15% per annum for the period of delay. However, subject to applicable law, the respective Investor Selling Shareholders shall not be liable to reimburse any expenses towards refund or any interest thereon in respect to Allotment of their respective proportion of the Investor Offered Shares or otherwise, unless the failure or default or delay, as the case may be, is solely on account of such Investor Selling Shareholder.

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.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Offer Equity Shares, the Promoters' minimum contribution and Allotments made to Anchor Investors pursuant to the Offer, as detailed in the section titled "*Capital Structure*" on page 71 and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See the section titled "*Main Provisions of the Articles of Association*" at page 461.

The Equity Shares 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 state securities laws. Accordingly, the Equity Shares are being offered and sold only (i) outside the United States in offshore transactions in accordance with Regulation S under the Securities Act, and (ii) in the United States only to a limited number of “qualified institutional buyers” (as defined in Rule 144A under the Securities Act) and referred to in this Prospectus as “U.S. QIBs” (which, for the avoidance of doubt, does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Prospectus as “QIBs”) acting for their own account or for the account of another U.S. QIB (and meets the other requirements set forth herein), in reliance on the exemption from registration under the Securities Act provided by Rule 144A or other available exemption.

Option to receive Equity Shares in dematerialised form

Allotment of Equity Shares will only be in dematerialised form. The Equity Shares will be traded on the dematerialised segment of the Stock Exchanges.

OFFER STRUCTURE

Initial public offering of up to 11,600,000 Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] million through an Offer for Sale by the Selling Shareholders, of which, as severally and not jointly, specifically confirmed by each of the Selling Shareholders: (i) up to 1,261,996 equity shares aggregating up to ₹ [●] million are being offered by (Hony.) Brig. Dr. Arvind Lal, (ii) up to 2,056,747 equity shares aggregating up to ₹ [●] million are being offered by Dr. Vandana Lal, (iii) up to 238,226 equity shares aggregating up to ₹ [●] million are being offered by Eskay House (HUF), (iv) up to 550,386 equity shares aggregating up to ₹ [●] million are being offered by Mr. Anjaneya Lal, (v) up to 5,860,000 equity shares aggregating up to ₹ [●] million are being offered by Wagner, (vi) up to 1,471,575 equity shares aggregating up to ₹ [●] million are being offered by WCF, and (vii) up to 161,070 equity shares aggregating up to ₹ [●] million are being offered by SIH, in terms of the Red Herring Prospectus. The Offer would constitute up to 14.10% of the post-Offer paid-up capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	5,800,000 Equity Shares.	Not less than 1,740,000 Equity Shares or Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 4,060,000 Equity Shares or Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Percentage of Offer available for Allotment/allocation	Not more than 50% of the Offer shall be available for allocation to QIB Bidders. However, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available for allocation to QIBs.	Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 35% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Basis of Allotment if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to 116,000 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) 2,320,000 Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above. The Company, the Promoter Selling Shareholders and the Investor Selling Shareholders,	Proportionate.	Allotment to each Retail Individual Bidders shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. For further details, see the section titled “Offer Procedure – Part B – General Information Document for Investing in Public Issues – Allotment Procedure and Basis of Allotment – Allotment to RIIs” on page 450.

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only.		
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000.	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits.	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share, subject to availability in the Retail Portion.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply**	Mutual Funds, Venture Capital Funds, AIFs, FVCIs, FPIs (other than Category III FPIs) public financial institution as defined in Section 2(72) of the Companies Act, 2013, a scheduled commercial bank, multilateral and bilateral development financial institution, state industrial development corporation, insurance company registered with the Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund, 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.	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals and Category III FPIs.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.
Terms of Payment	<p>The entire Bid Amount shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate or Registered Brokers at Broker Centers, as the case may be.</p> <p>In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the</p>		

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	Bid cum Application Form.		
Mode of Bidding	Only through the ASBA process (except Anchor Investors).	Only through the ASBA process.	Through the ASBA or non-ASBA process.

* Subject to valid Bids being received at or above the Offer Price. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI Regulations, wherein 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. 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 from them at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. The Offer shall constitute at least 10% of the fully diluted post-Offer paid up equity share capital of our Company.

The QIB Portion includes the Anchor Investor Portion, as per the SEBI Regulations. Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date.

** In the event that the Bid is submitted in joint names, the investors should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the Bid cum Application Form.

Bid/Offer Programme*

FOR ALL BIDDERS	OFFER OPENS ON [●]
FOR QIBs**	OFFER CLOSES ON [●]
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS	OFFER CLOSES ON [●]

*Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion, i.e. 2,320,000 Equity Shares, to Anchor Investors on a discretionary basis, in accordance with the SEBI Regulations. Anchor Investors shall Bid on the Anchor Investor Bidding Date.

**Our Company, the Promoter Selling Shareholders and Investor Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one 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
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of refunds	[●]
Credit of the Equity Shares to depository accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

The above timetable is indicative and does not constitute any obligation on our Company, the Promoter Selling Shareholders or the Investor Selling Shareholders or the BRLMs. While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading

of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid/Offer Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

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) during the Bid/Offer Period (except on the Bid/Offer Closing Date) at the Bidding Centres and the Designated Branches as mentioned on the Bid cum Application Form **except that:**

- (i) on the QIB Bid/Offer Closing Date, in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m.;
- (ii) on the Bid/Offer Closing Date:
 - a. in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m.; and
 - b. in case of Bids by Retail Individual Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m., which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Managers to the Stock Exchanges.

For the avoidance of doubt, Bids not uploaded on the electronic bidding system will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, the 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. (Indian Standard Time) on the Bid/Offer Closing Date. 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 in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids will only be accepted on Working Days. Investors please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges. Neither our Company, the respective Promoter Selling Shareholders, the respective Investor Selling Shareholders nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise.

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, reserve the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI Regulations. In such an event, the Cap Price shall not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid/Offer Opening Date.

In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. Any revision in the 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 Book Running Lead Managers and at the terminals of the Syndicate Members by intimation to SCSBs and Registered Brokers.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

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 ("General Information Document") included below under sub-section titled "– 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 Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. The General Information Document has been updated to reflect amendments to the SEBI Regulations and to include reference to the Companies Act, 2013 and SEBI FPI 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 Book Running Lead Managers. Please refer to the relevant portions of the General Information Document which are applicable to this Offer.

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document 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 do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI Regulations, wherein 50% of the Offer shall be available for allocation on a proportionate basis to QIBs. Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. 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 from them at or above the Offer Price. Subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis, subject to applicable law. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. The Offer shall constitute at least 10% of the fully diluted post-Offer paid up equity share capital of our Company.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Please note that there is a common Bid cum Application Form for ASBA Bidders as well as for non-ASBA Bidders. QIBs (other than Anchor Investors) and Non-Institutional Bidders shall mandatorily participate in the Offer only through the ASBA process. Retail Individual Bidders can participate in the Offer through the ASBA process as well as the non-ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

Retail Individual Bidders can submit their Bids by submitting Bid cum Application Forms, in physical form, to the members of the Syndicate, the sub-Syndicate or the Registered Brokers. Bid cum Application Forms, will be available with the Syndicate/ sub-Syndicate members, SCSBs and at our Registered Office and Corporate Office. In addition, the Bid cum Application Forms will also be available for download on the websites of the Stock Exchanges, NSE (www.nseindia.com) and BSE (www.bseindia.com), at least one day prior to the Bid/Offer Opening Date. Physical Bid cum Application Forms for Anchor Investors shall be made available at the offices of the BRLMs.

Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs, as the case may be, submitted at the Bidding 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.

Kindly note that the Syndicate/ sub-Syndicate or the Registered Broker at the Syndicate Bidding Centres or Registered Brokers Centres, as applicable, may not accept the Bid if there is no branch of the Escrow Collection Banks at that location.

ASBA Bidders can submit their Bids by submitting Bid cum Application Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained or in physical form to the Syndicate, the sub-Syndicate or the Registered Brokers. The physical Bid cum Application Forms will be available with the Designated Branches, members of the Syndicate/ sub-Syndicate and at our Registered Office.

Upon acceptance of a Bid cum Application Form, it is the responsibility of the Registered Brokers to comply with the obligations set out in SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, including in relation to uploading the Bids on the online system of the Stock Exchanges, depositing the cheque and sending the updated electronic schedule to the relevant branch of the Escrow Collection Bank, and are liable for any failure in this regard.

The prescribed colour of the Bid cum Application Form for various categories of Bidders is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis (ASBA and non ASBA)**	[●]
Non-Residents including Eligible NRIs, FVCIs, FPIs and registered multilateral and bilateral development financial institutions applying on a repatriation basis (ASBA and non ASBA)**	[●]
Anchor Investors***	[●]

* Excluding electronic Bid cum Application Forms.

** Bid cum Application forms will also be available on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com). Same Bid cum Application Form applies to all ASBA Bids irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, or to the Syndicate (in Specified Cities).

*** Bid cum Application Forms for Anchor Investors shall be available at the offices of the Book Running Lead Managers.

Who can Bid?

In addition to the category of Bidders set forth in the sub-section titled “– Part B – General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue” on page 426, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- FPIs, other than Category III FPIs;
- Category III FPIs who are foreign corporates or foreign individuals only under the Non-Institutional Portion
- Scientific and/or industrial research organizations in India, which are authorized to invest in equity shares; and
- Any other person eligible to Bid in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them.

The Equity Shares 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 state securities laws. Accordingly, the Equity Shares are being offered and sold only (i) outside the United States in offshore transactions in accordance with Regulation S under the Securities Act, and (ii) in the United States only to a limited number of “qualified institutional buyers” (as defined in Rule 144A under the Securities Act) and referred to in this Prospectus as “U.S. QIBs” (which, for the avoidance of doubt, does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Prospectus as “QIBs”) acting for their own account or for the account of another U.S. QIB (and meets the other requirements set forth herein), in reliance on the exemption from registration under the Securities Act provided by Rule 144A or other available exemption.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by associates and affiliates of the Book Running Lead Managers and the Syndicate Members

The Book Running Lead Managers and the Syndicate Members shall not be allowed to subscribe to this Offer in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the Book Running Lead Managers and the Syndicate Members may subscribe to or purchase Equity Shares in the Offer, in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders. Such Bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of Book Running Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Other than mutual funds sponsored by entities related to the BRLMs, the BRLMs, the Syndicate Members, the Promoters, the Promoter Group and any persons related to them cannot apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

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.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company, the Promoter Selling Shareholders and the Investor Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. 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 BRLMs, the Syndicate Members and the SCSBs. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchanges and Bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts for the amount payable on application remitted through normal banking channels or by debits to their Non-Resident External (“NRE”) or Foreign Currency Non-Resident (“FCNR”) accounts, maintained with banks authorized by the RBI under the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) Regulations, 2000, to deal in foreign exchange along with documentary evidence in support of the remittance. Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for non-residents, accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be. Payment for Bids by non-resident Bidder Bidding on a repatriation basis will not be accepted out of Non-Resident Ordinary (“NRO”) accounts.

Eligible NRIs Bidding on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR Accounts as well as the NRO Account. Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents.

Non ASBA Bids by NRIs shall be submitted only in the locations specified in the Bid cum Application Form.

Bids by FIIs, FPIs and QFIs

On January 7, 2014, SEBI notified the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 (“**SEBI FPI Regulations**”) pursuant to which the existing classes of portfolio investors, namely, FIIs and QFIs were subsumed under a new category namely ‘foreign portfolio investors’ or ‘FPIs’. Furthermore, 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 who 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 this 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. Further, a QFI who had not obtained a certificate of registration as an FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such QFIs who have not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in this Offer.

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 our Board, followed by a special resolution passed by the shareholders of our Company and subject to prior intimation to RBI. For calculating the aggregate holding of FPIs in our company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. In terms of the above-mentioned provisions of the FEMA Regulations, 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. Our Company has, pursuant to a resolution of our shareholders dated August 24, 2015, increased the aggregate limits for the total holdings of all FPIs and NRIs to 49% and 24%, respectively, of our paid-up Equity Share capital in accordance with applicable law.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments (“**ODIs**”). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the GoI from time to time. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents. FPIs are required to Bid through the ASBA process to participate in the Offer.

An FPI shall issue ODIs only to those subscribers which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. 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 FPI and unregulated broad based funds, which are classified as Category II FPIs 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 in the event (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 Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “**SEBI VCF Regulations**”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, *inter alia* prescribe the investment restrictions on VCFs and FVCIs, respectively, registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds 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 one-third of its investible funds 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 SEBI VCF Regulations.

All Non-Resident Bidders including Eligible NRIs, FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. There is no reservation for Eligible NRIs, FIIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, according to the SEBI Regulations, the shareholding of VCFs, category I AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing this Draft Red Herring Prospectus with SEBI.

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, the Company, the Promoter Selling Shareholders and the Investor Selling Shareholders reserve the right to reject any Bid without assigning any reason therefor.

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, the Promoter Selling Shareholders and the Investor Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers is prescribed in Regulation 5 of the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the “**IRDA Investment Regulations**”) are set forth below:

- a equity shares of a company: the lower of 10% of the investee company’s outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/ investment assets in case of a general insurer or a 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 a 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 operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, 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 points (a), (b) or (c) above, as the case may be.

Bids by provident funds/ pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, the Company, the Promoter Selling Shareholders and the Investor Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Anchor Investors

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in the Offer for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(zd) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XI of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- (i) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
- (ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.
- (iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (iv) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and be completed on the same day.

- (v) Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the BRLMs will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
 - (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;
 - (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and
 - (c) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum allotment of ₹ 50 million per Anchor Investor.
- (vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid/ Offer Opening Date, through intimation to the Stock Exchange.
- (vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within two Working Days from the Bid/ Offer Closing Date. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
- (ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- (x) The BRLMs, our Promoter, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLMs) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLMs and made available as part of the records of the BRLMs for inspection by SEBI.
- (xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- (xii) For more information, see “Offer Procedure - Part B: General Information Document for Investing in Public Issues - Section 7: Allotment Procedure and Basis of Allotment – Allotment to Anchor Investor” on page 451.
- (xiii) Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

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 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 – Para-banking Activities dated July 1, 2015 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.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, our Directors, the officers of our Company and the members of the Syndicate 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.

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 ASBA applications.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged with the Bid cum Application Form. Failing this, the Company, the Promoter Selling Shareholders and the Investor Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

The Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney with the Bid cum Application Form, subject to such terms and conditions that the Company, the Promoter Selling Shareholders, the Investor Selling Shareholders and the Book Running Lead Managers deem fit, without assigning any reasons therefore.

In accordance with existing regulations, OCBs cannot participate in the Offer.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement in [●] edition of [●] and [●] edition of [●], being an English and a Hindi national daily newspaper, each with wide circulation, respectively. In the pre- Offer advertisement, we shall state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, our Directors, the officers of our Company and the members of the Syndicate 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.

Information for Bidders

In addition to the instructions provided to Bidders set forth in the sub-section titled “– *Part B – General Information Document for Investing in Public Issues*” on page 423, Bidders are requested to note the following additional information in relation to the Offer.

1. The Company shall dispatch the Red Herring Prospectus and other Offer material, including Bid cum Application Forms, to the Designated Stock Exchange, Syndicate/ sub-Syndicate, Bankers to the Offer, investors’ associations and SCSBs in advance.
2. The Price Band and the minimum Bid Lot for the Offer will be decided by the Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation the Book Running Lead Managers, and advertised in [●] edition of [●] and [●] edition of [●], being an english and a hindi national daily newspaper, each with wide circulation, respectively, each with wide circulation where the Registered Office is located, at least five Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price. Such information shall also be disclosed to the Stock Exchanges for dissemination through, and shall be pre-filled in the Bid cum Application Forms available on, the Stock Exchanges’ websites.
3. It is not obligatory for the Registered Brokers to accept the Bid cum Application Forms. However, upon acceptance of a Bid cum Application Form, it is the responsibility of the Registered Brokers to comply with the obligations set out in SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, including in relation to uploading the Bids on the online system of the Stock Exchanges, depositing the cheque and sending the updated electronic schedule to the relevant branch of the Escrow Collection Bank (in case of Bids by Bidders other than ASBA Bidders) and forwarding the schedule along with the Bid cum Application Form to the relevant branch of the SCSB (in case of Bids by ASBA Bidders), and are liable for any failure in this regard.

With regard to Bid cum Application Form by non ASBA Bidders, Registered Brokers shall deposit the cheque, prepare electronic schedule and send it to Escrow Collection Banks. All Escrow Collection Banks that have branches in a Registered Broker Centre, shall ensure that at least one of its branches in the Registered Broker Centre accepts cheques. Registered Brokers shall deposit the cheque in any branch of the Escrow Collection Banks in the Registered Broker Centre. Registered Brokers shall also update the electronic schedule (containing application details including the application amount) as downloaded from the Stock Exchange platform and send it to a local branch of the Escrow Collection Banks. Registered Brokers shall retain all physical Bid cum Application Forms and send it to the Registrar to Offer after six months.

4. With regard to Bid cum Application Forms submitted by ASBA Bidders, Registered Brokers shall forward a schedule (containing the application number and amount) along with the Bid cum Application Forms to the branch where the ASBA Account is maintained of the relevant SCSB for blocking of funds.
5. The Syndicate/ sub-Syndicate, the SCSBs and the Registered Brokers, as the case may be, will enter each Bid option into the electronic Bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form. All accepted Bids made at the Registered Broker Centre shall be stamped and thereby acknowledged by the Registered Brokers at the time of receipt, which shall form the basis of any complaint. It is the Bidder’s responsibility to obtain the TRS from the Syndicate/ sub-Syndicate, the Designated Branches or Registered Brokers. The registration of the Bid by the Syndicate/ sub-Syndicate, the Designated Branches or Registered Brokers does not guarantee that the Equity Shares shall be allocated/ Allotted by the Company. Such TRS will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier TRS and may request for a revised TRS from the Syndicate/ sub-Syndicate, the Registered Brokers or the SCSB as proof of his or her having revised the previous Bid.

6. The Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, will finalise the Offer Price within the Price Band, without the prior approval of the Bidders.
7. In relation to electronic registration of bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company, the Promoter Selling Shareholders and the Investor Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of the Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, the management or any scheme or project of the Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
8. In the event of an upward revision in the Price Band, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted by the ASBA Bidders to SCSB or to the Syndicate (in specified cities) to whom the original Bid was submitted. If the total amount (i.e., the original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus if the Bid was made through ASBA. If, however, the Retail Individual Bidder 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 Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.
9. In the event of a downward revision in the Price Band, Retail Individual Bidders who have bid at Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be refunded from the Escrow Account for non-ASBA Bidders, or unblocked for ASBA Bidders.
10. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the SCSBs shall block the additional Bid Amount. With regard to Bids, other than ASBA Bids, the Syndicate/ sub-Syndicate or the Registered Brokers, as the case may be, shall collect payment in the form of a cheque or demand draft, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions.
11. Allocation to Non-Residents, including Eligible NRIs FIIs and FPIs will be subject to applicable law, rules, regulations, guidelines and approvals.
12. The Allotment and trading of the Equity Shares would be in dematerialised form only for all investors in the dematerialised segment of the respective Stock Exchanges.

In addition to the information provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues – Interest and Refunds - Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants*” on page 455.

Signing of the Underwriting Agreement and the RoC Filing

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders confirmed that they intend to enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Offer Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The

Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

GENERAL INSTRUCTIONS

In addition to the general instructions provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues*” on page 423, Bidders are requested to note the additional instructions provided below.

Do’s:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law;
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 the Bids are submitted at the bidding centres only on forms bearing the stamp of the Syndicate or Registered Broker or SCSB (except in case of electronic forms) or with respect to ASBA Bidders, ensure that your Bid is submitted either to a member of the Syndicate (in the Specified Locations), a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account, or to a Registered Broker at the Broker Centres.
6. In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Syndicate in the Specified Locations or with a Registered Broker at the Broker Centres, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Offer;
7. With respect to the ASBA Bids, ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. QIBs (other than Anchor Investors) and the Non-Institutional Bidders should submit their Bids through the ASBA process only;
9. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;
10. Ensure that you request for and receive a TRS for all your Bid options;
11. 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 or the Registered Broker (at the Broker Centres);
12. Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form under non-ASBA process to the Syndicate or the Registered Brokers;
13. With respect to non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids and with respect to ASBA Bids, ensure funds equivalent to the Bid Amount are blocked;
14. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;
15. Submit revised Bids to the same member of the Syndicate, SCSB or Registered Broker, as applicable, through whom the original Bid was placed and obtain a revised TRS;

16. 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;
17. Ensure that the Demographic Details are updated, true and correct in all respects;
18. 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.
19. 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. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
20. Ensure that the category and sub-category is indicated;
21. Ensure that for Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
22. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
23. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the online IPO system of the stock exchanges by the Syndicate, the SCSBs or the Registered Brokers, as the case may be, match with the DP ID, Client ID and PAN available in the Depository database;
24. In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the Syndicate (in the Specified Locations) and/or relevant SCSB and/ or the Designated Branch and/ or the Registered Broker at the Broker Centres (except in case of electronic forms);
25. 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;
26. ASBA 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 in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for 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>). ASBA Bidders bidding through a Registered Broker should ensure that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms;
27. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
28. In relation to the ASBA Bids, ensure that you have correctly signed the authorization/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; and

29. In relation to the ASBA Bids, ensure that you receive an acknowledgement from the Designated Branch of the SCSB or from the member of the Syndicate in the Specified Locations or from the Registered Broker at the Broker Centres, as the case may be, for the submission of your Bid cum Application Form.

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 or revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate, the SCSBs or the Registered Brokers, as applicable;
4. Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;
5. Do not send Bid cum Application Forms by post; Instead submit the same with a Designated Branch of the SCSBs, Syndicate/ sub-Syndicate or the Registered Brokers, as the case may be;
6. Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB), our Company or the Registrar to the Offer;
7. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the Syndicate, the Registered Brokers or the SCSBs;
8. Anchor Investors should not Bid through the ASBA process;
9. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
10. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
11. 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;
12. Do not submit the Bid cum Application Form if you are a Non-Resident, except for: (i) an Eligible FPI (investing under the foreign portfolio investment scheme in accordance with Schedule 2A of the FEMA Regulations); (iii) an Eligible NRI investing on non-repatriation basis in accordance with Schedule 4 of the FEMA Regulations;
13. Do not submit the GIR number instead of the PAN;
14. Do not submit the Bids without the full Bid Amount;
15. Do not submit the Bids without instructions to block funds equivalent to the Bid Amount in the ASBA Account;
16. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
17. 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;
18. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;
19. If you are a Non-Institutional Bidder or Retail Individual Bidder, do not submit your Bid after 3.00 p.m. on the Bid/Offer Closing Date;

20. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872;
21. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
22. Do not submit more than five Bid cum Application Forms per ASBA Account;
23. Do not submit ASBA Bids to a member of the Syndicate at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres;
24. Do not submit ASBA Bids to a member of the Syndicate in the Specified Locations unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Specified Location, for 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>); and
25. Do not submit ASBA Bids to a Registered Broker unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Registered Broker to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment instructions

Though Bidders can issue Non-CTS cheque, Bidders are advised to submit CTS compliant cheques.

In terms of RBI circular no. DPSS.CO.CHD.No./ 133/ 04.07.05/ 2013-14 dated July 16, 2013 non-CTS cheques are processed in three CTS centres in separate clearing session. This separate clearing session will operate once a week from November 1, 2014 onwards. In order to enable listing and trading of Equity Shares within 12 Working Days of the Bid/ Offer Closing Date or such period as may be prescribed by SEBI, investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that Bid cum Application Forms accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Bid/ Offer Closing Date.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

In addition to the instructions for completing the Bid cum Application Form provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues – Applying in the Issue – Instructions for filing the Bid cum Application Form/ Application Form*” on page 427, Bidders are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
2. Bids through ASBA must be made in a single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Red Herring Prospectus and in the Bid cum Application Form.
3. Bids on a repatriation basis shall be in the names of individuals, or in the name of Eligible NRIs, FIIs or FPIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Bids by Eligible NRIs for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Escrow mechanism for non-ASBA Bidders

In addition to the payment instructions for non-ASBA Bidders as provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues – Applying in the Issue – Payment Details – Instructions for non-ASBA Applicants*” on page 443, non-ASBA Bidders are requested to note the following.

1. For Retail Individual Bidders, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of resident Retail Individual Bidders: “[●]”; and
- In case of non-resident Retail Individual Bidders: “[●]”.

For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of resident Anchor Investors: “[●]”; and
- In case of non-resident Anchor Investors: “[●]”.

2. Payments should be made by cheque, or 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 Bid cum Application Form is submitted. Outstation cheques or bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts will be rejected. Please note that cheques without the nine digit Magnetic Ink Character Recognition (“**MICR**”) code are liable to be rejected.
3. **Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Promoter Selling Shareholders, the Investor Selling Shareholders, the Syndicate, the Escrow Collection Banks and the Registrar to the Offer to facilitate collections from the Bidders.**

Our Company, the respective Promoter Selling Shareholders and the respective Investor Selling Shareholders, in consultation with the BRLMs, in their absolute discretion, shall decide the list of Anchor Investors to whom the Allotment Advice would be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names would be notified to such Anchor Investors.

Designated Date and Allotment

- (a) Our Company will ensure that the Allotment and credit to the successful Bidder’s depository account will be completed within 12 Working Days, or such period as may be prescribed by SEBI, of the Bid/Offer Closing Date or such other period as may be prescribed.
- (b) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
- (c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act, 2013 and the Depositories Act.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues – Issue Procedure in Book Built Issue – Rejection and Responsibility for Upload of Bids – Grounds for Technical Rejections*” on page 447, Bidders are requested to note that Bids may be rejected on the following additional technical grounds.

1. Bid submitted without payment of the entire Bid Amount;

2. Bids submitted by Retail Individual Bidders which do not contain details of the Bid Amount and the bank account details in the Bid cum Application Form;
3. Bids submitted on a plain paper;
4. Bids by HUFs not mentioned correctly as given in the sub-section titled “ – *Who can Bid?*” on page 406;
5. Bid cum Application Form submitted to the Book Running Lead Managers does not bear the stamp of the Book Running Lead Managers or the Registered Brokers;
6. ASBA Bids submitted directly to the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Book Running Lead Managers, as the case may be;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. With respect to ASBA Bids, the Bid cum Application Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are ‘suspended for credit’ in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by Retail Individual Bidders with Bid Amount for a value of more than ₹ 200,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stockinvest, money order, postal order or cash;
14. Bids by persons in the United States other than ‘qualified institutional buyers’ (as defined in Rule 144A of the Securities Act); and
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/Offer Closing Date, and Bids by Retail Individual Bidders uploaded after 5.00 p.m. on the Bid/Offer Closing Date, unless extended by the Stock Exchanges.

In terms of the RBI circular (No.DPSS.CO.CHD.No./133/04.07.05/2013-14) dated July 16, 2013, non-CTS cheques would be processed in three CTS centres thrice a week until April 30, 2014, twice a week until October 31, 2014 and once a week from November 1, 2014 onwards. In order to enable listing and trading of Equity Shares within 12 Working Days of the Bid/Offer Closing Date or such other period as may be prescribed, investors are advised to use CTS cheques or use the ASBA facility to make payments. Investors are cautioned that Bid cum Application Forms accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Bid/Offer Closing Date.

PLEASE NOTE THAT IN THE EVENT OF A DELAY BEYOND SIX WORKING DAYS FROM THE BID/OFFER CLOSING DATE IN CLEARING THE CHEQUES ACCOMPANYING THE BID CUM APPLICATION FORM (WHETHER CTS OR NON-CTS), FOR ANY REASON WHATSOEVER (INCLUDING BUT NOT LIMITED TO ANY NATURAL/ MATERIAL CALAMITIES OR ANY EXTENSION BY THE BANK ON THE TIME PERIOD FOR CLEARING WITH PERMISSION OF RBI OR OTHERWISE), SUCH BID CUM APPLICATION FORM MAY BE CONSIDERED FOR REJECTION.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two agreements had been signed among the Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated September 9, 2015 among NSDL, the Company and the Registrar to the Offer.
- Agreement dated September 2, 2015 among CDSL, the Company and Registrar to the Offer.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That if the Company and/or any of the Selling Shareholders does not proceed with the Offer after the Bid/Offer Closing Date, the reason thereof shall be given as a public notice within two days of the Bid/Offer

Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- That if our Company and/or any of the Selling Shareholders withdraw the entire or portion of the Offer after the Bid/Offer Closing Date, our Company shall be required to file an updated offer document or a fresh offer document with the RoC/ SEBI, as the case may be, in the event our Company or any Selling Shareholder subsequently decides to proceed with the Offer;
- That the complaints received in respect of the Offer shall be attended to by the Company expeditiously and satisfactorily;
- That 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 12 Working Days of the Bid/Offer Closing Date or such other period as may be prescribed;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer;
- That where refunds are made through electronic transfer, a suitable communication shall be sent to the applicant within 15 days from the Bid/Offer Closing Date, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit for the refund;
- That the certificates of the securities or refund orders to Eligible NRIs shall be despatched within specified time;
- That no further Offer of Equity Shares shall be made until 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.;
- That adequate arrangement shall be made to collect all Bid cum Application Forms under the ASBA process and to consider them similar to non-ASBA Bids while finalising the Basis of Allotment; and
- The Company shall not have recourse to the Offer Proceeds until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received.

UNDERTAKINGS BY THE PROMOTER SELLING SHAREHOLDERS

Each of the Promoter Selling Shareholders severally and not jointly undertake the following:

- That they are the legal and beneficial owners of their respective proportion of Promoter Offered Shares;
- That the respective Promoter Offered Shares (a) have been held by the respective Promoter Selling Shareholder for a minimum period as specified in Regulation 26(6) of the SEBI Regulations; and (b) are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances; and (c) shall be in dematerialized form at the time of transfer;
- That they shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges where listing is proposed have been obtained;
- That they shall provide all reasonable cooperation as requested by the Company in relation to the completion of the Allotment and dispatch of the Allotment Advice and Anchor Investor allocation note, if required, and refund orders to the requisite extent of the Equity Shares offered by them pursuant to the Offer;
- That they shall provide such reasonable support and extend such reasonable cooperation as may be required by the Company and the Book Running Lead Managers in redressal of such investor grievances that pertain to the Equity Shares held by them and being offered pursuant to the Offer;
- That they shall not further transfer Equity Shares during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted and Equity Shares to be Allotted pursuant to the Offer;
- That they shall take all such steps as may be required to ensure that the Equity Shares being sold by them pursuant to the Offer for Sale are available for transfer in the Offer for Sale, free and clear of any encumbrance, within the timelines specified under applicable law; and
- That they have authorised the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of their respective proportion of Equity Shares offered as part of the Offer for Sale and they shall extend reasonable cooperation to the Company and BRLMs in the regard.

UNDERTAKINGS BY THE INVESTOR SELLING SHAREHOLDERS

Each of the Investor Selling Shareholders severally and not jointly undertake the following:

- That they are the legal and beneficial owners of their respective proportion of the Investor Offered Shares;
- That the respective Investor Offered Shares (a) have been held by the respective Investor Selling Shareholder for a minimum period as specified in Regulation 26(6) of the SEBI Regulations; and (b) shall be in dematerialized form at the time of transfer;
- That they shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges where listing is proposed have been obtained;
- That they shall authorise relevant intermediaries to ensure completion of the Offer as required in connection with the sale and transfer of their respective proportion of the Investor Offered Shares within the timelines specified under applicable law;
- That they shall take all such steps as may be required to ensure that their respective proportion of the Investor Offered Shares are available for transfer to successful Bidders in the Offer for Sale, free and clear of any encumbrance; and
- That they have authorised the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of their respective proportion of Investor Offered Shares.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Offer Price, will be taken by the Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers.

Utilisation of Offer proceeds

The Company, each of the respective Promoter Selling Shareholders and the respective Investor Selling Shareholders severally and not jointly, specifically confirm and declare that all monies received out of this Offer shall be 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.

Withdrawal of the Offer

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders severally and not jointly, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company. The Book Running Lead Managers, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within 12 Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC and the Stock Exchanges.

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, as amended or replaced by the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. 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 Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.

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 Issues. 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, 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 Issue 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 Issue and the relevant information about the Issuer undertaking the Issue 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 Issue. 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 BRLMs to the Issue and on the website of Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section "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 26/27 of 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, 1956 (the "Companies Act") as amended or replaced by the Companies Act, 2013, 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 Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("**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/Issue 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 Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

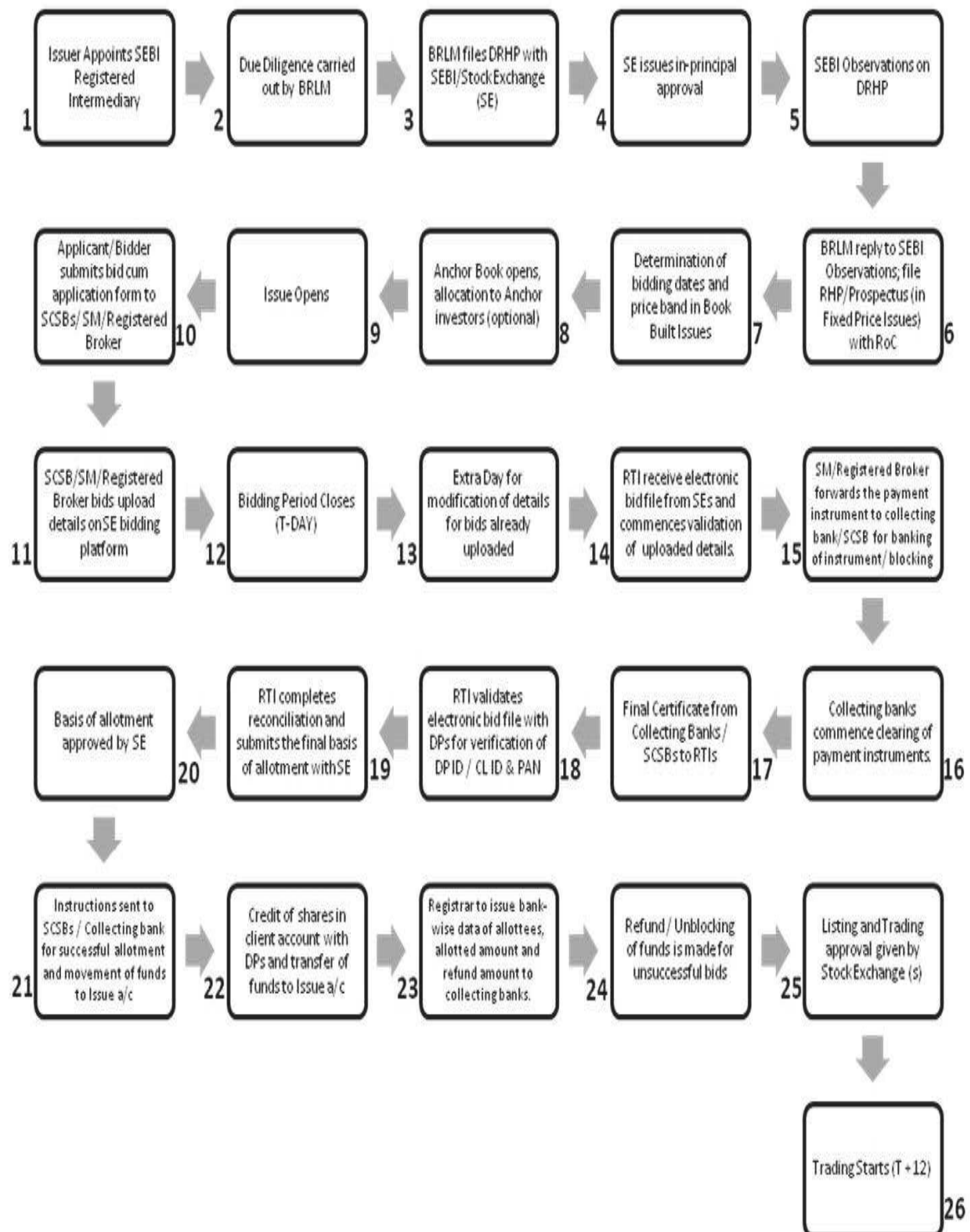
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue 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/Issue 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 BRLMs, 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 Issue 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 Issue Date and Price
 - (ii) Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.
 - (iii) Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform
 - (iv) Step 12: Issue period closes
 - (v) Step 15: Not Applicable



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, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue 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;
- Qualified Foreign Investors 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;
- FPIs (other than Category III FPIs) bidding in the QIBs category;
- Category III FPIs bidding in the Non Institutional Bidders category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (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 Issue, 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 Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs 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/Issue 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 either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered 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, QFIs on a repatriation basis	Blue
Anchor Investors	[As specified by the Issuer]

Securities Issued in an IPO of Issue size equal to rupees ten crores or more can only be in dematerialized form in compliance 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:

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - R		FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS																														
Logo To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE IN		Bid cum Application Form No.																														
SYNDICATE MEMBER'S STAMP & CODE BROKER'S/AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____																																
ESCROW BANK/SCSB BRANCH STAMP & CODE SUB-BROKER'S/SUB-AGENT'S STAMP & CODE		2. PAN OF SOLE / FIRST APPLICANT _____																																
BANK BRANCH SERIAL NO. REGISTRAR'S / SCSB SERIAL NO.		3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID																																
4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off") <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="5">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)</th> </tr> <tr> <th>Bid Price</th> <th>Discount, if any</th> <th>Net Price</th> <th>"Cut-off" (Please tick)</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>7 6 5 4 3 2 1</td> <td>4 3 2 1</td> <td>4 3 2 1</td> <td>4 3 2 1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>		Bid Options	No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)					Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)	Option 1	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1	<input type="checkbox"/>	(OR) Option 2					<input type="checkbox"/>	(OR) Option 3					<input type="checkbox"/>	5. Category <input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB		6. Investor Status <input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI <input type="checkbox"/> (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Others (Please specify) - OTH	
Bid Options	No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)			Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)																														
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(OR) Option 3					<input type="checkbox"/>																													
7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below) Amount Paid (₹ in figures) _____ (₹ in words) _____ <input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) Cheque/DD No. _____ Dated DD/MM/YYYY Drawn on (Bank Name & Branch) _____ <input type="checkbox"/> (B) ASBA Bank A/c No. _____ Bank Name & Branch _____		PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment																																
I/WE ON BEHALF OF JOINT APPLICANTS, IF ANY, HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORMS AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVERLEAF. (We (on behalf of joint applicants, if any) hereby confirm that (We have read the instructions for filling up the Bid Cum Application Form given overleaf.																																		
8A. SIGNATURE OF SOLE / FIRST APPLICANT _____ Date: _____, 2011		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY) I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____		BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)																														
TEAR HERE																																		
XYZ LIMITED		Acknowledgement Slip for Syndicate Member / SCSB		Bid cum Application Form No.																														
DPID / CLID Amount Paid (₹ in figures) _____ Bank & Branch _____ Cheque / DD/ASBA Bank A/c No. _____ Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____		Stamp & Signature of Banker _____																																
TEAR HERE																																		
XYZ LIMITED No. of Equity Shares Bid Price Amount Paid (₹) Cheque / DD/ASBA Bank A/c No. Bank & Branch		Stamp & Signature of Syndicate Member / SCSB _____		Name of Sole / First Applicant _____ Acknowledgement Slip for Bidder Bid cum Application Form No.																														

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - NR		FOR ELIGIBLE NRIs, FPIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS																												
Logo		To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE Bid cum Application Form No. INE528L01018																												
SYNDICATE MEMBER'S STAMP & CODE		BROKER'S/AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant																												
SCSB BANK / SCSB BRANCH STAMP & CODE		SUB-BROKER / SUB-AGENT'S STAMP & CODE		Mr. / Ms. _____																												
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSB SERIAL NO.		Address _____																												
				Email _____																												
				Tel. No. (with STD code) / Mobile _____																												
				2. PAN OF SOLE / FIRST APPLICANT _____																												
3. BIDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL				5. Investor Status																												
For NSDL enter 5 digit DP ID followed by 8 digit Client ID / For CDSL enter 15 digit Client ID				<input type="checkbox"/> NR Non Resident Indian (Repatriation basis)																												
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Drawn on (Bank Name & Branch) _____				Bank Name & Branch _____																												
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XYZ LIMITED	Option 1		Option 2		Stamp & Signature of Syndicate Member / SCSB																											
	Option 3																															
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	Bid Price																															
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Cheque / DD/ASBA Bank A/c No. _____				Acknowledgement Slip for Bidder																												
Bank & Branch _____																																
				Bid cum Application Form No. _____																												

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 refund orders and letters notifying the unblocking of the bank accounts of ASBA 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 members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue 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 payments may be made out in favor of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and 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, 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 of not less than six months extending up to ten 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 109A of the Companies Act. 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. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. 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/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 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 Issue, 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 giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- (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/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue 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 Issue 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 and the Selling Shareholders, 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 and the Selling Shareholders 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 refer 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.

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.

- (b) 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.
- (c) 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 Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.
- (d) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment. 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.
- (e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (f) 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 Portion 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/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

- (g) A Bid cannot be submitted for more than the Issue size.
- (h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (i) 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 Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue 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 Bids at three 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 member of the Syndicate, SCSB or Registered Broker 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 Issue 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) 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.
 - (ii) 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.
 - (iii) 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 Issue are RIIs, NIIs and QIBs.
- (b) Upto 60% of the QIB Category can be allocated by the Issuer and the Selling Shareholders, 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 Issue 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 Issue, 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 Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue 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 Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FIIs, QFIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue 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) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made 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) QIBs and NIIs can participate in the Issue only through the ASBA mechanism.
- (d) RIIs bidding in the Retail Portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").

- (e) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 Instructions for non-ASBA Bidders:

- (a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.
- (b) **For Bids made through a member of the Syndicate:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.
- (c) **For Bids made through a Registered Broker:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the Registered Broker.
- (d) 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.
- (e) Payments should be made by cheque, or demand draft drawn on any bank (including a cooperative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum 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.
- (f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.
- (g) Bidders are advised to provide the number of the Bid cum 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 ASBA Bidders

- (a) ASBA 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 a member of the Syndicate at the Specified Locations or
 - (iv) Registered Brokers of the Stock Exchange
- (b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA 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 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) **ASBA 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. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of 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) **ASBA Bidders bidding through a Registered Broker** should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, 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 to deposit Bid cum Application Forms.
- (h) **ASBA 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
- (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
- (l) Upon submission of a completed Bid cum Application Form each ASBA 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 Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Issue 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 Issue 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 ASBA 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 Issue, the SCSBs may transfer the requisite amount against each successful ASBA 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 Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 12 Working Days of the Bid/Issue Closing Date.

4.1.7.3 **Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 **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 Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (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 ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorization/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 acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.

- (b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.
- (c) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
 - (i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Issue.
 - (ii) In case of ASBA 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 Syndicate ASBA Bids, 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) Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLMs in case of any other complaints in relation to the Issue.
- (d) 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 member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted or
 - (iii) In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof
 - (iv) In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

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/Issue 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 till closure of the bidding period or withdraw their bids until finalization of allotment.
- (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/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the

same member of the Syndicate, the Registered Broker or the SCSB 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:

COMMON BID REVISION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - R		FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS	
Logo		To: The Board of Directors XYZ Limited		BOOK BUILDING ISSUE Bid cum Application Form No. INE523LO1018	
SYNDICATE MEMBER'S STAMP & CODE		BROKER'S/AGENTS STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant	
ESCHOW BANK/SCSB BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE		Mr. / Ms. 	
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSB SERIAL NO.		Tel. No. (with STD code) / Mobile 	
				2. PAN OF SOLE / FIRST APPLICANT 	
				3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	
				For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID	
PLEASE CHANGE MY BID					
4. FROM (as per last Bid or Revision)					
Bid Options		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)	
		7 6 5 4 3 2 1		Bid Price Discount, if any Net Price "Cut-off" (Phase I & II)	
Option 1					
(OR) Option 2					
(OR) Option 3					
5. TO (Revised Bid)					
Bid Options		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)	
		7 6 5 4 3 2 1		Bid Price Discount, if any Net Price "Cut-off" (Phase I & II)	
Option 1					
(OR) Option 2					
(OR) Option 3					
6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below) PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment					
Additional Amount Paid (₹ in figures) (₹ in words) 					
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) <input type="checkbox"/> (B) ASBA					
Cheque/DD No. 		Dated 		Bank A/c No. 	
Drawn on (Bank Name & Branch) 				Bank Name & Branch 	
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORMS AND HEREBY AGREE AND CONFIRM THE "BIDDERS' UNDERTAKING" AS GIVEN OVER. I/WE (on behalf of joint applicants, if any) hereby confirm that I/We have read the instructions for filling up the Bid revision Form given over.					
7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S)		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY)		BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)	
Date: , 2011		I/We authorize the SCSB to do all acts as are necessary to make the Application in the form			
TEAR HERE					
XYZ LIMITED BID REVISION FORM		Acknowledgement Slip for Syndicate Member / SCSE		Bid cum Application Form No. 	
DPID / CLID 		PAN 			
Additional Amount Paid (₹) 		Bank & Branch 		Stamp & Signature of Banker	
Cheque / DD/ASBA Bank A/c No. 					
Received from Mr./Ms. 					
Telephone / Mobile 		Email 			
TEAR HERE					
XYZ LIMITED BID REVISION FORM		Acknowledgement Slip for Bidder		Bid cum Application Form No. 	
No. of Equity Shares		Option 1 Option 2 Option 3		Name of Sole / First Applicant	
Bid Price					
Additional Amount Paid (₹)					
Cheque / DD/ASBA Bank A/c No. 					
Bank & Branch 					

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 AND 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 AND 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 Issue 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 Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue 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 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 ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

4.2.3 FIELD 6: PAYMENT DETAILS

- (a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.
- (b) 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.
- (c) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may Issue 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 member of the Syndicate/Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed

the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

- (d) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate / Registered Broker to whom the original Bid was submitted.
- (e) 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 Issue 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 no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- (f) 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 in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/Applicant.

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 AND 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 AND 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 Managers to the Issue (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 Issue 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 to Collection Bank(s) or 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 Issue 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) 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.
 - (ii) 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 Issue 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 Issue, 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 Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue 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 are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.

- (b) RIIs bidding in the Retail Portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").
- (c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.3.5.1 Instructions for non-ASBA Applicants:

- (a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).
- (b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favor of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the escrow Collection Bank(s).
- (c) If the cheque or demand draft accompanying the Application Form is not made favoring the Escrow Account, the form is liable to be rejected.
- (d) Payments should be made by cheque, or demand draft drawn on any bank (including a cooperative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the 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.
- (e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.
- (f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.3.5.2 Payment instructions for ASBA Applicants

- (a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.
- (b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA 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, may 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 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) ASBA 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 ASBA 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 Issue, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.2.1 **Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue 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 ASBA 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 Issue, the SCSBs may transfer the requisite amount against each successful ASBA 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 Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Issue 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 Issue, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Issue 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 AND ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 and 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:-

Mode of Application	Submission of Bid cum Application Form
Non-ASBA Application	(a) To members of the Syndicate at the Specified Locations mentioned in the Bid cum Application Form (b) To Registered Brokers
ASBA Application	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres (b) To the Designated branches of the SCSBs where the ASBA Account is maintained

- (a) Bidders/Applicants should not submit the bid cum application forms/ Revision Form directly to the escrow collection banks. Bid cum Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.
- (b) Bidders/Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.
- (c) 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 Registrar of Companies (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.
- (d) Upon determination of the Issue 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 Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- (a) During the Bid/Issue Period, ASBA Bidders/Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.
- (b) Non-ASBA Bidders/Applicants (RIIs, Employees and Retail Individual Shareholders) bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/ any of the Registered Brokers to register their Bid.
- (c) In case of ASBA Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/Applicants may approach the members of the

Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.

- (d) 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 Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs 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 online facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Issue Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs 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 members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

- (a) Bids received from various Bidders/Applicants through the Syndicate, Registered Brokers and the SCSBs 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/Issue 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/Issue Period.

5.4 WITHDRAWAL OF BIDS

- (a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) In case a RII wishes to withdraw the Bid after the Bid/Issue Period, the same can be done by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. The Registrar to the Issue 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 AND RESPONSIBILITY FOR UPLOAD OF BIDS

- (a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to
 - (i) the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,
 - (ii) the Bids uploaded by the members of the Syndicate, the Registered Broker and the

SCSBs,

- (iii) the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or
- (iv) With respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.
- (b) The BRLMs and its 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) the BRLMs and its 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 and 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 the (i) authorised agents of the BRLMs, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), 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 are 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 any person outside India if not in compliance with applicable foreign and Indian laws;
- (g) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- (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) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, 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) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;
- (p) Bids/Applications for a Bid/Application Amount of more than ₹ 200,000 by RIIs by applying through non-ASBA process;
- (q) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (s) 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/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (t) With respect to ASBA Bids/Applications, 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;
- (u) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (v) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;
- (w) Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);
- (x) ASBA Bids/Applications submitted to a BRLMs 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 Issue;
- (y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

- (z) 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 Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue 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 Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and the Selling Shareholders 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) 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 Issue; 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, Issue 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 (Rs.)	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 and the Selling Shareholders in consultation with the BRLMs may 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.

- (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/Issue 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 Issue. As the Issue Price is mentioned in the Fixed Price Issue 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 Syndicate Members/SCSB and/or Bankers to the Issue or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs 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/Issue Opening Date.

In a fixed price Issue, 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 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 is 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 Issue (excluding any Offer for Sale of specified securities). However, in case the Issue 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 Issue 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 Issue 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 Issue 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 Issue 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 Issue 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 Issue 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 Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue 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 Issue 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 Issue 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 Issue 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 Issue 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 Issue 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 Issue Price will be at the discretion of the Issuer and the Selling Shareholders in consultation with the BRLMs, subject to compliance with the following requirements:
- (i) not more than 60% of the QIB Portion 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 25 Anchor Investors for allocation of more than ₹ 250 crores 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 Bid cum 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 Issue Price is higher than the Anchor Investor Issue 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 Issue Price and the Anchor Investor Issue 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 Issue Price is lower than the Anchor Investor Issue 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) AND NIIs IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue 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 (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.
- (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 Issue.**

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 Issue.

- (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 12 Working Days of the Bid/Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING AND 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 12 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 12 Working Days of the Bid/Issue 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) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than five lakh rupees but which may extend to fifty lakh rupees 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 fifty thousand rupees but which may extend to three lakh rupees, 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 repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, within 60 days from the Bid/Issue Closing Date, the Issuer may forthwith, without interest refund the entire subscription amount received in a manner prescribed under the SEBI ICDR Regulations, the Companies Act, 2013 and other applicable laws. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

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 Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

- (a) **In case of ASBA Bids/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue 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 Non-ASBA Bid/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Bidders/Applicants and also for any excess amount paid on Bidding/Application, after adjusting for allocation/ allotment to Bidders/Applicants.
- (c) In case of non-ASBA Bidders/Applicants, the Registrar to the Issue 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 Bidders/Applicants in their Bid cum Application Forms for refunds. Accordingly, Bidders/Applicants are advised to immediately update their details as appearing on the records of their DPs. 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 Bidders/Applicants' sole risk and neither the Issuer, the Selling Shareholders, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay.
- (d) In the case of Bids from Eligible NRIs, FIIs, FPIs and QFIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer and the Selling Shareholders may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

- (a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;
- (b) **NEFT**— Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' 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 Bidders/Applicants 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 Bidders/Applicants 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;
- (c) **Direct Credit**— Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (d) **RTGS**— Bidders/Applicants 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
- (e) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received.

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 Bidders/Applicants may refer to RHP/Prospectus.

8.3.2 Mode of making refunds for ASBA Bidders/Applicants

In case of ASBA Bidders/Applicants, the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at rates prescribed under applicable laws if refund orders are not dispatched or if, in a case 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 12 Working days of the Bid/Issue Closing Date.

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 Issue to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
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
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
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)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid 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 ASBA Bidder/Applicant
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA
Banker(s) to the Issue/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) 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 Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue 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
Bid /Issue Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Issue, 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/ Issue Closing Date
Bid/Issue Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Issue, 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/ Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue 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/ Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
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 cum Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application

Term	Description
	Form should be construed to mean the Application Form
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) 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 Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form 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.
BRLMs/ Book Running Lead Managers/Lead Managers/ LMs	The Book Running Lead Managers to the Issue 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 Managers should be construed to mean the Lead Managers or LMs
Business Day	Monday to Friday (except 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
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue 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
Category III FPI	FPIs who are registered as “Category III foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Companies Act	The Companies Act, 1956
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Managers, 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 the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or 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 Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue 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 promoter. 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 Bidders/Applicants (excluding the ASBA Bidders/Applicants) may Issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running

Term	Description
	Lead Managers, the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (excluding the ASBA Bidders/Applicants) on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
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 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 Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPI	Foreign portfolio investor registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
FPO	Further public offering
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
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager
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
NECS	National Electronic Clearing Service
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 Issue 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
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and Category III FPIs 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 Issue 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, FIIs registered with SEBI, FVCIs registered with SEBI, FPIs and QFIIs
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 for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholders
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

Term	Description
	corporate bodies or institutions irrespective of the number of specified securities applied for.
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 Issue may be decided by the Issuer in consultation with the Book Running Lead Manager and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue 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 Managers, finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act after the Pricing Date, containing the Issue Price ,the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
Qualified Financial Investors or QFIs	Non-Resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
QIB Category	The portion of the Issue 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 Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue 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 (excluding refunds to ASBA Bidders/Applicants), 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 NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹ 200,000.
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 Issue 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 in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates 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

Term	Description
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 http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centres
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager and the Syndicate Member(s)
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Bids from ASBA Bidders/Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager 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	All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

The Articles of Association are divided into two parts, Part A and Part B. The validity of the Articles of Association shall be as follows:

- (a) Until the issuance of the approval for listing and trading of the equity shares of the Company by the BSE Limited and/or the National Stock Exchange of India Limited pursuant to an initial public offering of the Company ("**Listing Approval Date**"), Part A and Part B of these Articles of Association shall be effective, provided, however, that until the Listing Approval Date, in the event of any conflict between the terms of Part A and Part B of these Articles of Association, the terms of Part B of these Articles of Association shall prevail.
- (b) On the Listing Approval Date, Part B shall become ineffective automatically, without requiring any further corporate or other action. Part A shall continue to be in effect post the Listing Approval Date.

Part A

Article		Particulars
SHARE CAPITAL AND VARIATION OF RIGHTS		
1.	Capital	The Authorized Share Capital of the Company shall be such amount and be divided into such number, classes and descriptions of shares and into such denominations as may from time to time, be provided in the Clause V of the Memorandum of Association of the Company. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board with power to increase, reduce, sub divide or repay the same or to divide the same into several classes and to attach thereto any right(s) and to consolidate or sub divide or reorganize from time to time, who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2.	Increase in Share Capital	The Company, in general meeting, may, from time to time, increase the capital by the creation of new shares. Such increase in the capital shall be of such aggregate amount and to be divided into such number of shares of such respective amounts, as the resolution, so passed in that respect, shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting, resolving upon the creation thereof, shall direct, and, if no direction be given, as the Directors shall determine, and, in particular, such shares may be issued with a preferential, restricted or qualified right to dividends, and in the distribution of assets of the Company, on winding up, and with or without a right of voting at general meetings of the company, in conformity with and only in the manner as prescribed by the provisions of the Act. Whenever, capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the applicable provisions of the Act.
3.	Same as Original Capital	Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be subject to the provisions contained herein with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting or otherwise.
4.	Preference Shares	Subject to the provisions of Section 55 of the Act and the rules made there under, the Company shall have the power to issue preference shares, which are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms

Article		Particulars
		and conditions of redemption.
5.	Redeemable Preference Shares	On the issue of Redeemable Preference Shares under the provisions of the preceding articles, the following provisions shall take effect:-
(i)		No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption.
(ii)		No such shares shall be redeemed unless they are fully paid.
(iii)		Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act, relating to the redemption of the Share Capital of the Company, shall, except as provided in the Act, apply as if "Capital Redemption Reserve Account" were paid-up share capital of the company.
6.	Preference Shares dividedx into different class	Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the applicable provisions of the Act, be modified, commuted, affected or abrogated, or dealt with by an agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified, in writing, by holders of atleast three-fourths in nominal value of the issued shares of that class or is confirmed by a Special Resolution passed at a separate general meeting of the holders of shares of that class and all the provisions hereinafter contained as to General meetings, shall, mutatis mutandis, apply to every such meeting.
7.	Sub-Division and Consolidation of Share Capital	Subject to the applicable provisions of the Act, the Company, in general meeting, may, from time to time, sub-divide, reclassify or consolidate its shares or any of them, and the resolution whereby any share is sub-divided, may determine that, as between the holders of the Shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company, in general meeting, may also cancel shares, which 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.
BUY BACK OF SHARES AND REDUCTION IN CAPITAL		
8(i)	Company may Buy Back its own shares	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities out of free reserves, the securities premium account or the proceeds of issue of any share or specified securities.
(ii)		Subject to the provisions of contained in Sections 68 to 70 and all applicable provisions of the Act and subject to such approvals, permissions, consents and sanctions from the concerned authorities and departments, including the Securities & Exchange Board of India and the Reserve Bank of India, if any, the Company may, pursuant to the provisions of the Act, purchase its own shares or other specified securities (hereinafter referred to as "buy-back") from its existing shareholders on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots), and/or the securities issued to the employees of the company pursuant to a scheme of stock options or sweat equity, from out of its free reserves or out of the securities premium account of the company or out of the proceeds of any issue made by the company specifically for the purpose, on such terms, conditions and in such manner as may be prescribed by law from time to time; provided that the aggregate of the securities so bought back shall not exceed such number as may be prescribed under the Act or Rules made from time to time.
9.	Surrender of Shares	Subject to the Provisions of the Act, the Directors shall be empowered and authorize

Article		Particulars
		to accept from any shareholder on such terms and conditions as shall be agreed a surrender of all or any of his shares.
10.	Reduction in Share Capital	Subject to Section 100 of the Companies Act, 1956 and Section 66 of the Companies Act, 2013 as and when notified the Company may by special resolution, reduce its capital and any Capital Redemption Reserve Account or other Premium Account, for the time being, in any manner, authorized by law, and, in particular, without prejudice to the generality of the foregoing powers, the capital may be paid off on the footing that it may be called up again or otherwise, and the Board may. Subject to the Provisions of the Act, accept surrender of shares.
CERTIFICATES		
11.	Register & Index of Members	The Company or an investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof.
		The Company shall cause to be kept at its Registered Office or at such other place as may be decided by the Board of Directors, the Register and Index of Members/Debenture holders (the Register) in accordance with the applicable provisions of the Act and the Depositories Act, with the details of shares held in physical and dematerialized form in any medium as may be permitted by law including any form of electronic medium.
		The Register and Index of Beneficial Owner maintained by a Depository under Section 11 of the Depository Act, 1996 shall also be deemed to be the Register and Index of Members/Debenture holder for the purpose of the Companies Act and any amendment or re-enactment thereof. The Company shall have power to keep in any State or Country outside India, a Register of Members/Debenture holders for the Members/ Debenture holders resident of that State or Country.
12.	Shares to be numbered Progressively	The shares in the Capital shall be numbered progressively according to their several classes and denominations and except in the manner hereinabove mentioned no share shall be sub-divided. Every forfeited or surrendered share may continue to bear the number by which the same was originally distinguished with or as may be decided by the Board of Directors or required by any other authority as may be for the time being in force.
13.(i)	Right of Members or Debenture Holders to Certificate	Every Member shall be entitled, without payment, to receive one or more certificates in marketable lots for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within 1 (one) month of the receipt of application for the registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be.
(ii)		Every certificate of shares shall be under the seal of the Company, if any, and shall specify the number and distinctive numbers of the shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate of a share to one of several joint holders shall be sufficient delivery to all such holders.
(iii)		Every such certificate(s) shall be issued and signed as per the provisions of the Act, and the rules made there under.
(iv)		Any two or more joint allottees in respect of a Share, shall for the purpose of this Article, be treated as a single member and the Certificate of any Share, which may be

Article		Particulars
		subject of joint ownership, may be delivered to the person named first in the order or otherwise even to any one of such joint owners, on behalf of all of them. For any further certificate, the Board shall be entitled but shall not be bound to prescribe a charge. In this respect, the Company shall comply with the applicable provisions, for the time being in force of the Act.
(v)		A Director may sign a Share Certificate by affixing his Signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of rubber stamp provided that the Directors shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
		Provided that in case of securities held by the Member/Debenture holder in dematerialized form, no Share/Debenture Certificate(s) shall be issued.
14.(i)	Issue of new certificates in place of one defaced, lost or destroyed	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, and a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued on payment of fee of INR 20/-. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.
		The provisions of this Article shall mutatis mutandis apply to debentures of the Company.
		Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.
(ii)		Where a new Share Certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "DUPLICATE Issued in lieu of Share Certificate No....." The word "DUPLICATE" shall be stamped or punched in bold letters across the face of the Share Certificate.
(iii)		Where a new Share Certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "Issued in lieu of Share Certificate No....." sub-divided/replaced/on consolidation of Shares.
(iv)		Where a new Share certificate has been issued in pursuance of clause (i) to (iii) of this Article, particulars of every such Share Certificate shall be entered in a Register of Renewed and Duplicate Share Certificates, indicating against the names of the person or persons to whom the Certificate is issued, the number and date of issue of the Share certificate, in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column. All entries made in the Register of Members or in the Register of Renewed and Duplicate Certificates shall be authenticated by the Secretary or such other person as may be appointed by the Board for the purpose of sealing and signing the certificate mentioned in above clauses.
(v)		Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

Article		Particulars
COMMISSION & BROKERAGE		
15.	Payment of Commission	Subject to the provisions of the Act, and the rules made thereunder, the Company may, at any time, pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in or debentures of the Company or procuring or agreeing to procure the subscribers, whether absolutely or conditional, for any shares in or debentures of the Company, but so that the commission shall not exceed, in the case of shares, five percent of the price at which the shares are issued and, in the case of debentures two and a half percent of the price at which the debentures are issued, and such commission may be satisfied in any such manner, including the allotment of the shares or debentures, as the case may be, as the Board thinks fit and proper.
16.	Payment of Brokerage	Subject to the provisions of the Act, the Company may pay a reasonable and lawful sum of brokerage.
LIEN		
17.(i)	Company's Lien on shares or debentures	<p>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 sales 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 shares 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 all respect of such shares/debentures.</p> <p>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.</p>
(ii)	Company's right to deal with	<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien provided that no sale shall be made—</p> <ol style="list-style-type: none"> unless a sum in respect of which the lien exists is presently payable; or until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
(iii)		<ol style="list-style-type: none"> To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
(iv)		<ol style="list-style-type: none"> The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
CALLS ON SHARES		
18.	Calls on shares/debentures	The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed

Article		Particulars
		only at a duly constituted meeting of the Board, make such call, as it thinks fit, upon the members/debenture holders in respect of any monies unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at times and places appointed by the Board. A call may be made payable by instalments.
		Provided however that the Board, may from time to time, at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members whom owing to their residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension, save as a matter of grace and favour.
		Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
19.(i)	Notice specifying the Conditions	Each member shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
(ii)		A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
(iii)		A call may be revoked or postponed at the discretion of the Board.
20.	Calls to be paid on shares held in joint name(s)	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
21.	When interest on calls payable	If the sum payable in respect of any call be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share/debenture/securities in respect of which a call shall have been made, shall pay interest on the same at such rate as the Board of Directors shall fix, from the day appointed for payment thereof to the day of actual payment, but the Board shall be at liberty to waive payment of any such interest wholly or in part.
22.	Sums deemed to be call	Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable, and, in the case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
23.	Partial Payment not to preclude Forfeiture	Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his shares, either by way of principle or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as provided in these Articles.
24.(i)	Calls paid in Advance	The Board may, if it thinks fit, subject to the provisions of section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as may be decided by the members paying the sum in advance and the Directors, in accordance with the Act and applicable laws. The Directors may at any time repay the amounts so advanced upon giving to the member 3 (three) months' notice in writing provided that money paid in advance of calls shall not confer a right to participate in profits or dividend.
(ii)		The members shall not be entitled to any voting rights in respect of the amount paid

Article		Particulars
		in advance by them until the same would but for such payment, become presently payable.
(iii)		The provisions of these Articles shall mutatis mutandis apply to the calls on debentures and other securities of the Company.
TRANSFER & TRANSMISSION OF SHARES		
25.(i)	Transfer & Transmission of Shares	The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.
(ii)		The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
		The Board may, subject to the right of appeal conferred by section 58 decline to register – a. The transfer of a share, not being a fully paid share, to a person of whom they do not approve; or b. any transfer of shares on which the Company has lien.
		The Board may decline to recognise any instrument of transfer unless – a. The instrument of transfer is in the form as prescribed in rules made under section 56 (1). b. The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and c. The instrument of transfer is in respect of only one class of shares.
		On giving not less than seven days previous notice in accordance with Section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.
		Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.
		The Company shall register the transfer of Securities subject to the applicable provisions of the Act, Depositories Act, Listing Agreements with the Stock Exchanges where the securities of the Company are listed and any other applicable law from time to time. Further, the Board may, to any powers of the Company under these Articles or otherwise, but subject to the sections 58 and 59 and other provisions of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956 and further subject to the right of appeal, and by giving reasons, decline to register or acknowledge any transfer of shares/ debentures/securities, whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within 1 (one) month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the Shares. Transfer of shares/ debentures/securities in whatever lot shall not be refused.
26.	No fees to be charged	No fees 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.
27.	Closing of Registers of Member/Debentureholders & Other Security Holders	The Register of Members / Debenture/Securities may be closed for any period or periods not more than 30 (thirty) days at any one time or for more than 45 (forty-five) days in the aggregate in any year after giving 7 (seven) days' previous notice by advertisement in some newspaper circulating in the district in which the Registered

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		Office of the Company is situated.
28.	Register of Transfers	The Company shall, if the shares/debentures/securities of the Company are not in dematerialized form, keep a Register of Transfer of Shares (and Debentures or other Securities) and therein enter the particulars of several transfers or transmission of any shares or debentures or other securities.
29.	Execution of Transfer	The instrument of transfer of any share or debentures or other securities in the Company shall be executed by or on behalf of both the transferor and transferee and the transferor shall be deemed to remain a holder of the share or debentures or other securities until the name of the transferee is entered in the Register of Members or Debenture holders/other Security holders in respect thereof.
30.(i)	Board may decline the transfer	<p>The Board may decline to recognise any instrument of transfer unless-</p> <ul style="list-style-type: none"> a. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56; b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and c. the instrument of transfer is in respect of only one class of shares.
(ii)		<p>The Board may, subject to the right of appeal conferred by section 58 decline to register—</p> <ul style="list-style-type: none"> a. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or b. any transfer of shares on which the company has a lien, or when any statutory prohibition or any attachment or prohibitory order of a competent authority restrains the Company from transferring the securities out of the name of the Transferor. c. When the transferor objects to the transfer, provided he serves on the Company within the reasonable time a prohibitory order of a Court of competent Jurisdiction.
31.(i)	Transmission of shares	On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
(ii)		Nothing in clause i. shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
32.(i)		<p>Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <ul style="list-style-type: none"> a. to be registered himself as holder of the share; or b. to make such transfer of the share as the deceased or insolvent member could have made.
(ii)		The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
33.(i)		If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
(ii)		If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

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(iii)		All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
34.		<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>
FORFEITURE OF SHARES		
35.(i)	Forfeiture of Shares or Debentures	If a member or debenture holder fails to pay any call or instalment of a call, on or before the day appointed for payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter during such time as the call or instalment remains unpaid, serve a notice on him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
(ii)		<p>The notice aforesaid shall—</p> <ol style="list-style-type: none"> Name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
(iii)		A forfeited share or debenture may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
(iv)		At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
36.(i)	Effect of Forfeiture	A person whose shares or debentures have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares or debentures.
(ii)		The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares and debentures.
37.(i)		A duly verified declaration in writing that the declarant is a director, the manager or the Secretary, of the Company, and that a share or debenture in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares or debentures;
(ii)		The Company may receive the consideration, if any, given for the share or debenture on any sale or disposal thereof and may execute a transfer of the share or debenture in favour of the person to whom the share or debenture is sold or disposed of;
(iii)		The transferee shall thereupon be registered as the holder of the share or debenture;

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		and
(iv)		The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share or debenture.
(v)		The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
ALTERATION OF CAPITAL		
38.	Increase in Capital	Subject to the provisions of the Act, the Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
39.	Power of the Company to alter its capital	Subject to the provisions of section 61, the Company may, by ordinary resolution,—
(i)		consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
(ii)		convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
(iii)		sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
(iv)		cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
40.	Further issue of Shares	Where at any time, it is proposed to increase the subscribed share capital of the Company by allotment of further shares either out of the unissued or out of the increased share capital then such shares shall be offered:
(i)		<p>To the persons who are at the date of the offer, are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those shares at that date, subject to following conditions:</p> <ol style="list-style-type: none"> Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer if not accepted, will be deemed to have been declined. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him in favour of any other person and the notice referred to in sub clause a. hereof shall contain a statement of this right. After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.
(ii)		to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as may be prescribed; or
(iii)		Notwithstanding anything contained in sub clause i. thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause a. of sub clause i. hereof) in any manner, subject to special resolution passed by the Company, 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 prescribed in the Act and the rules made

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	<p>thereunder.</p> <p>Nothing in sub clause a. of i. hereof shall be deemed:</p> <p>a. To extend the time within the offer should be accepted; or</p> <p>b. To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.</p> <p>Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company to convert such debentures or loans into Shares in the Company.</p> <p>Provided that the terms of issue of such debentures or the terms of such loans containing such 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.</p>
41.	<p>Subject to the provision of section 62 of the Companies Act, 2013 and the rules made thereunder and these Article of the Company for the time being shares shall be under the control of the Directors who may issue , allot or otherwise dispose of the same or any of them to such person , such proportion and on such terms and conditions and either premium or at par, or subject to compliance with Section 54 of the Act at a discount, and at such time as they may from time to time think fit and with the sanction of the Company in the general meeting to give any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and the Directors may also issue and allot share in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. The Board shall cause to be filed the returns as to allotment as may be prescribed from time to time.</p>
42.	<p>In addition to and without derogating from the powers for that purpose conferred in the Board under the preceding two Articles ,the Company , in general meeting , may determine that any shares , whether forming part of original capital or of any increased capital of the Company , shall be offered to such persons ,whether or not the members if the Company ,in such proportion and on such terms and condition and , subject to compliance with the provisions of applicable provisions of the Act, either at a premium or at par , as such general meeting shall determine and with full power to give any persons, whether a member or not, the option to call for or be allotted shares of any class of the Company either , subject to the compliance to the applicable provision of the Act, at a premium or at a par ,such option being exercisable at such times and for such consideration as may be directed by such general meeting , or the Company in general meeting may make any other provision whatsoever for the issue , allotment or disposal of any shares.</p>
43.	<p>Transfer of Stock</p> <p>The Company by special resolution in general meeting may convert any paid up shares into stock or may at any time reconvert any stock into paid up shares of any denomination. When any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests therein or any part of such interest, in the same manner and subject to the same regulations as and subject to which shares in the Company's capital may be transferred or as near thereto as circumstances will admit. But the Board may from time to time, if they think fit, fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, but with full power, nevertheless, at the discretion to waive such rules in any particular case. The notice of such conversion of shares into stock or reversion of stock into shares shall be filed with the</p>

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		Registrar of Companies as provided in the Act.
44.	Rights of Stock holders	The stock shall confer on the holders thereof respectively the same privileges and advantages, as regards participation in profits and voting at meetings of the Company and for other purposes, as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted but no such privileges or advantages, except the participation in profits of the Company or in the assets of the Company on a winding up, shall be conferred by any such aliquot part of, consolidated stock as would not, if existing in shares, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special holders of the share and authenticated by such evidence (if any) as the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares and the words “share” and “shareholder” in these presents shall include “stock” and “stock-holder”.
NOMINATION BY SECURITY HOLDER		
45.(i)	Nomination	Every holder of Securities in the Company may at any time nominate, in the prescribed manner a person to whom his securities in the Company shall vest in the event of his death.
(ii)		Where the securities in the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the securities in the Company shall vest in the event of death of all joint holders.
(iii)		Notwithstanding anything contained in these Articles or any other law, for the time being, in force, or in any disposition, whether testamentary or otherwise, in respect of such Securities in the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the securities in the Company, the nominee shall, on the death of the Shareholders of the Company or as the case may be all the joint holders in relation to such securities in the Company to the exclusion of all other persons unless the nomination is varied or cancelled in the prescribed manner.
(iv)		Where the nominee is a minor, it shall be lawful for the holder of the Securities to make the nomination to appoint in the prescribed manner any person, being a guardian, to become entitled to securities in the Company in the event of his death, during the minority.
46.(i)	Transmission of Securities by the Nominee	Any person who becomes a nominee by virtue of the provisions of the preceding Article, upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either- <ul style="list-style-type: none"> a. to be registered himself as holder of the Share(s); b. to make such transfer of the share(s) as the deceased shareholder could have made.
(ii)		If the person being a nominee, so becoming entitled elects to be registered as holder of the share(s) himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder.
(iii)		All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfer of securities shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer has been signed by that Shareholder.
(iv)		A person being a nominee becoming entitled to a share by reason of the death of the holder shall be entitled to the same dividends and other advantages which he would be entitled if he were the registered holder of the Share except that he shall not before being registered a member in respect of his share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

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		Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share(s) and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share(s) or until the requirements of the notice have been complied with.
CAPITALISATION OF PROFITS		
47.(i)	Capitalisation	<p>The Company in General Meeting, may, upon the recommendation of the Board, direct capitalisation of the whole or any part of the undistributed profits for the time being of the Company or the whole or any part of the Reserve Fund or other funds of the Company including the moneys in the Securities Premium Account and the Capital Redemption Reserve Account or the premiums received on the issue of any shares, debentures or debenture stock of the Company and that such sum be accordingly set free for the purpose,</p> <p>a. by the issue and distribution, among the holders of the shares of the Company or any of them, in accordance with their respective rights and interests and in proportion to the amounts paid or credited as paid up thereon, of paid-up shares, debentures, debenture-stock bonds or other obligations of the Company, or</p> <p>b. by crediting any shares of the Company which may have been issued and are not fully paid up, in proportion to the amounts</p>
(ii)		<p>For the purposes above set out the Company may, subject to the provisions contained in section 63, apply:</p> <p>a. its free reserves,</p> <p>b. the Securities Premium Account subject to the provisions of Section 52(2) of the said Act;</p> <p>c. the Capital Redemption Reserve Fund subject to the provisions of Section 55(4) of the said Act; and</p> <p>d. such other reserves or account as may be applied for issue of bonus shares.</p>
48.	Date for determination of Members entitled to bonus, dividend and other actions of the company.	The Board shall have the right to fix a date for the purpose of determining the Members who are entitled to the payment of the dividend, or shares pursuant to the capitalisation of reserves, and for any other action of the Company that requires determination of the details of Members.
DIVIDENDS		
49.	Company may declare the dividend In General Meeting	The Company in General Meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits, and may fix the time for the payment thereof.
50.	Equal rights of Shareholders	Any share holder whose name is entered in the Register of Members of the Company shall enjoy the rights and be subject to the same liabilities as all other shareholders of the same class.
51.	Power of the Board to limit the dividend	No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.
52.	Dividends in proportion to the amount paid up	Unless the Company otherwise resolves, dividends shall be paid in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some share than on others. Provided always that any capital paid up on a share during the period in respect of which a dividend is declared shall unless otherwise resolved be only entitled the holder of such share to a proportionate amount of such dividend from the date of payment.
53.	Capital advanced on Interest not to earn dividends	Call Capital paid-up in advance of calls shall not confer a right to dividend or to participate in profits.

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54.	Dividends out of profits only	No dividends shall be payable except out of profits of the Company of the year or any other undistributed profits in a manner as provided under the applicable provisions of the Act, and rules made thereunder.
55.	Interim Dividend	The Directors may, from time to time, declare and pay to the members such interim dividend as in their judgment the position of the Company justifies.
56.	No Member to receive dividend while indebted to the Company	No member shall be entitled to receive payment of any dividend in respect of any share or shares on which the Company has a lien, or whilst any amount due or owing from time to time to the Company, either alone or jointly with any other person or persons, in respect of such share or shares, or on any other account whatsoever, remains unpaid, and the Directors may retain, apply and adjust such dividend in or towards satisfaction of all debts, liabilities, or engagements in respect of which the lien exists, and of all such money due as aforesaid.
57.	Retention of Dividends until Completion of transfer under the transmission clause	The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member, or which any person under the same clause is entitled to transfer, until such person shall become a member in respect thereof or shall duly transfer the same.
58.(i)	Transfer must be registered to pass right to dividend	A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
(ii)		No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his bankers or any other person as permitted by applicable law.
59.	Dividend when and how to be paid	“Dividend shall be paid by cheque/demand draft or warrant or through electronic payment mechanism to the Members whose name appears on the Register of Members as on a particular day, as may be decided by the Board.”
60.	Notice of dividends	Notice of the declaration of any dividend whether interim or otherwise, shall be given to the members in the manner hereinafter provided for giving of notice to member.
61.	Production of share certificate when applying for dividends	The Directors may, if they think fit, call upon the members, when applying for dividends, to produce their share certificates to such person or persons appointed by them in that behalf.
62.	Any one of Joint-holders of share may receive dividends	Any one of several persons who are registered as joint-holders of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.
63.	Dividend payable in cash	No dividend shall be payable except in cash. Provided that nothing herein shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company. Provided further that any dividend payable in cash may be paid in cheque or warrant or in any electronic mode to the Member entitled to the payment of the dividend.
64.	Dividend and call together Set off allowed	Any General Meeting declaring a dividend may make a Call on the Members of such amount as the meeting fixes and so that the Call be made payable at the same time as the dividend, and the dividend may, if so resolved by the Company in General Meeting be set off against the Calls.
GENERAL MEETINGS		
65.	Annual General Meeting	The Company shall, in addition to any other meetings which are hereinafter referred to as “Extraordinary General Meeting”, hold a General Meeting which shall be styled its Annual General Meeting at the intervals and in accordance with the provisions of the Act.
66.	Directors may call	The Directors may call Extraordinary General Meetings of the Company whenever

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	Extraordinary General Meetings	they think fit and such meetings shall be held at such place and time as the Directors think fit.
67.(i)	Power of Tribunal to call General Meeting	<p>If the default is made in holding an Annual General Meeting in accordance with Section 96 of the Act, the Tribunal may, notwithstanding anything in the Act, (or in the Articles of the Company) on the application of any member of the Company, call or direct the calling of a General Meeting of the Company, and give such ancillary or consequential directions as the Central Government thinks expedient in relation to the calling, holding and conducting of the meeting.</p> <p>Explanation: - The directions that may be given, may include a direction that one member of the Company so present in person or by proxy shall be deemed to constitute a meeting.</p>
(ii)		A General Meeting held in pursuance of sub-clause (i) shall subject to any directions of the Tribunal be deemed to be an Annual General Meeting of the Company.
68.(i)	Calling of Extraordinary General Meeting on requisition	The Board of Directors of the Company such number of members of the Company as is specified in sub-clause (iv) forthwith proceed duly to call an Extraordinary General Meeting of the Company.
(ii)		The requisition shall set-out the matters for the consideration of which the meeting is to be called shall be signed by the requisitionists and shall be sent to the Registered Office of the Company.
(iii)		The requisition may consist of several documents in like form each signed by one or more requisitionists.
(iv)		number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold both on the date of such requisition and on the date of receipt of the requisition not less than one-tenth of such of the paid-up capital of the Company as at that date carries the right of voting in regard to that matter.
(v)		Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (iv) shall apply separately in regard to each such matters and the requisition shall accordingly be valid only in respect of those matters in respect to which the conditions specified in that sub-clause is fulfilled.
(vi)		<p>If the Board does not, within twenty one days from the date of the receipt of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty five days from the date of receipt of the requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.</p> <p>Explanation:- For the purpose of this sub-clause, the Board shall in the case of a meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section (2) of Section 114.</p>
(vii)		<p>A meeting called under sub-clause (6) by the requisitionists or any of them -</p> <ol style="list-style-type: none"> shall be called in the same manner as nearly as possible as that in which meetings are to be called by the Board; but shall not be held after the expiration of three months from the date of the deposit of the requisition. shall convene meeting at Registered office or in the same city or town where Registered office is situated and such meeting should be convened on working day.
(viii)		Where two or more persons hold any shares or interest in a Company jointly, a requisition or a notice calling a meeting signed by one or only some of them shall for the purposes of this Section have the same force and effect as if it has been signed by all of them.

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(ix)		Any reasonable expenses incurred by the requisitionists by reasons of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be deducted by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.
69.	Length of Notice for calling meeting	<p>A General Meeting of the Company may be called by giving at least clear twenty one day's notice in writing or through electronic mode provided a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than ninety five percent of the members entitled to vote at such meeting.</p> <p>Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at meeting and not on others, those members shall be taken into account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the latter.</p>
70.	Contents of Notice	Notice of every general meeting of the Company shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted thereat.
71.	To whom notice to be given	Such notice shall be given –
(i)		to every member of the Company, legal representative of any deceased Member or the assignee of an insolvent Member;
(ii)		to the auditor or auditors of the Company; and
(iii)		to every Director of the Company.
72.	Omission to give notice or non-receipt of notice shall not invalidate proceedings	The accidental omission to give notice to or the non receipt of notice by, any member or other person to whom it should be given, shall not invalidate the proceedings at the meeting.
73.	Proxy	In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy or where that is allowed one or more proxies, to attend and vote instead of himself and that a proxy need not be a member.
74.	Explanatory statements	Where any item of business to be transacted at the meeting is deemed to be special; there shall be annexed to the notice of the meeting a statement setting out all materials facts concerning such item of business in pursuance of section 102 of the Act.
75.	Inspection of documents referred in the explanatory statement	Where any item of business consists of the according of approval to any document by the meeting the time and place where the document can be inspected shall be specified in the statement aforesaid.
76.	Business to be transacted at meetings	In the case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special with the exception of business relating to-
(i)		the consideration of the Financial Statements, (including the consolidated financial statements, if applicable), and the Reports of the Board of Directors and Auditors,
(ii)		the declaration of any dividend,
(iii)		the appointment of Directors in the place of those retiring and
(iv)		the appointment of and the fixing of the remuneration of the Auditors.
		In the case of any other meeting all business shall be deemed special.
77.	Circulation of members resolutions	Upon a requisition of members complying with Section 111 of the said Act, the Directors shall comply with the obligations of the Company under the said Act relating to circulation of members' resolutions and statements.

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PROCEEDINGS AT GENERAL MEETINGS		
78.(i)	Quorum at General Meetings	No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
(ii)		Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
79.	Chairperson of the Meeting	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.
80.		If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
81.		If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
82.	Inspection of Minutes of General Meeting	The minute books containing the proceedings of General Meeting(s) shall be kept at the Registered office or such other place as the Board of Directors shall think fit and shall be open to inspection by any Member(s), by giving prior notice, free of charge, during business hours.
83.		Any member shall be entitled to be furnished within seven working days after he has made request in that behalf to the Company with a copy of any Minutes on such fee as may be decided by the Company from time to time.
ADJOURNMENT OF MEETING		
84.(i)	Adjournment of the Meeting	The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
(ii)		No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
(iii)		When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
(iv)		Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
VOTING RIGHTS		
85.	Voting by Members	Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
(i)		on a show of hands, every member present in person shall have one vote; and
(ii)		on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
86.	Electronic Voting	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
87.(i)	Voting by Joint Holders	In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
(ii)		For this purpose, seniority shall be determined by the order in which the names stand in the register of membes.
88.	Voting by a member who	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a

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	is of unsound mind	poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
89.		Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
90.		No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
91.(i)	Chairmans' decision shall be final	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
(ii)		Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
PROXY		
92.	Instrument of Proxy	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
93.		An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
94.		A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
BOARD OF DIRECTORS		
95.	Number of Directors	The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them. The number of Directors shall not be less than three and shall not be more than fifteen, including nominee Directors appointed by any financial institutions or any other Institutions or banks. Provided, that the Company may appoint a director in excess of the limit provided above by passing a special resolution.
96.	Expenses to be borne by Board	The Board may pay all expenses incurred in getting up and registering the Company.
97.	Acceptance of Cheque etc...	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
98.	Signing of Attendance sheet	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
99.	Appointment of directors and proportion to retire	The Company shall appoint such number of Independent Directors as by rotation required under applicable law, for a term specified in the resolution appointing him. An Independent Director may be appointed to hold office for a term of up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of Special Resolution and such other compliances as may be required in this regard. No Independent Director shall hold office for more than two consecutive terms. The provisions relating to retirement of directors by rotation shall

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	<p>not be applicable to appointment of Independent Directors.</p> <p>Not less than two-thirds of the total number of Directors of the Company shall:</p> <p>(i) be persons whose period of office is liable to determination by retirement of Directors by rotation; and</p> <p>(ii) save as otherwise expressly provided in the said Act; be appointed by the Company in General Meeting.</p> <p>Explanation:- for the purposes of this Article “total number of Directors” shall not include Independent Directors appointed on the Board of the Company.</p> <p>The remaining Directors of the Company shall also be appointed by the Company in General Meeting except to the extent that the Articles otherwise provide or permit.</p>
100.	<p>Provision regarding Directors retiring by rotation</p> <p>(1) Subject to the provisions of Section 152 of the Act at every Annual General Meeting, one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.</p> <p>(2) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.</p> <p>A retiring Director shall be eligible for re-election.</p> <p>(3) (i) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.</p> <p>(ii) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a National Holiday, till the next succeeding day which is not a holiday, at the same time and place.</p> <p>(iii) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless :-</p> <ul style="list-style-type: none"> • at the meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost; • the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed; • he is not qualified or is disqualified for appointment; • a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of the said Act; or • Section 162 is applicable to the case.
100A.(i)	<p>Nomination of Director</p> <p>Subject to Applicable Laws, so long as WestBridge Crossover Fund LLC and Sanjeevini Investment Holdings hold a minimum of 5% of paid-up equity share capital of the Company entitled to voting rights in the Company, it shall have the right to nominate, from time to time, one non-executive Director on the Board (such Director is hereinafter referred to as “WestBridge Crossover Fund LLC and Sanjeevini Investment Holdings, Nominee Director”). Further, subject to Applicable Laws, so long as Wagner Limited holds a minimum of 5% of paid-up equity share capital of the Company entitled to voting rights in the Company, Wagner Limited</p>

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		<p>shall have the right to nominate, from time to time, one non-executive Director on the Board (such Director is hereinafter referred to as “Wagner Limited, Nominee Director”. WestBridge Crossover Fund LLC and Sanjeevini Investment Holdings, Nominee Directors and the Wagner Limited, Nominee Directors are collectively hereinafter referred to as “Nominee Directors” and the shareholders so nominating a Nominee Director, referred to as “Nominating Shareholder”), as follows:</p> <p>a. The Nominating Shareholder shall notify the Board in writing, from time to time, the nomination of a person as a Nominee Director and the Board, at the first meeting following such notice, shall appoint such person as a Director. However, if the Board determines that the appointment of such a person as a Director would be in breach of Applicable Laws, including any eligibility conditions, the Board may reject the nomination of such a person and shall promptly notify the Nominating Shareholder who nominated such person for appointment as Nominee Director. On the occurrence of such an event, the relevant Nominating Shareholder shall have the right to nominate an alternate person for appointment as a Nominee Director.</p> <p>b. A Nominating Shareholder shall have the right to withdraw the nomination of any Nominee Director, nominated by it, from time to time and nominate an alternate person for appointment as its Nominee Director. In such an event, the relevant Nominating Shareholder shall notify the Board in writing the withdrawal of nomination of its Nominee Director, and subject to Applicable Laws, the Board shall remove such person and appoint, as per Clause (i) above, the substitute nominee as a Nominee Director.</p> <p>c. In the event of resignation, retirement or vacation of office by a Nominee Director, the Nominating Shareholder that so nominated such Director shall have the right to nominate an alternate person for appointment as a Director. In such an event, the relevant Nominating Shareholder shall notify the Board in writing the alternate nominee and, in the same board meeting, the Board shall take on record the removal of the original Nominee Director and appoint, as per Clause (i) above, the alternate person as a Nominee Director.</p>
(ii)		<p>The Founders i.e. Dr. Arvind Lal and Dr. Vandana Lal shall exercise or refrain from exercising any voting rights or other powers of control so as to ensure the passing of any and every resolution necessary or desirable to procure that the nominated directors are appointed in accordance with the provisions of this Article and otherwise to give full effect to the provisions of this Article and likewise to ensure that no resolution is passed which does not accord with such provisions.</p>
101.	Removal of Director	<p>The Company may by an ordinary resolution remove any Director (not being a Director appointed by the Tribunal in pursuance of Section 242 of the Act) in accordance with the provisions of Section 169 of the Act. A Director so removed shall not be reappointed a Director by the Board of Directors.</p>
102.	Notice of candidature when to be give	<p>A person who is not a retiring Director shall subject to the provisions of the said Act, be eligible for appointment to the Office of Director at any General Meeting, if he or some member intending to propose him has, not less than fourteen days before the meeting, left at the Registered Office of the Company a notice in writing under his hand signifying his candidature for the office of Directors or as the case may be, the intention of such Member to propose him as a candidate for the office, along with deposit of one lakh rupees or such other amount as may be specified in the relevant Rules. The amount so deposited shall be refunded to such person or, as the case may be, to the Member, if the person proposed gets elected as a Director or gets more than 25% of total valid votes.</p>
103.	Consent of candidate for Directorship to be filed with the Registrar	<p>A person appointed as a Director shall not act as a Director unless he gives his consent to hold the office as director and such consent has been filed with the Registrar within thirty days of his appointment in such manner as prescribed in the relevant Rules.</p>
104.(1)	Appointment of Directors	<p>At a General Meeting of the Company a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single</p>

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	to be voted on individually	resolution, unless a resolution that is shall be so made has first been agreed to by the meeting without any vote being given against it.
(2)		A resolution moved in contravention of clause (1) shall be void, whether or not objection was taken at the time to its being so moved;
(3)		For the purpose of this Article a motion for approving a person's appointment or for nominating a person for appointing shall be treated as a motion for his appointment.
105.	Directors may appoint additional Directors	The Directors shall have power at any time and from time to time, to appoint any person other than a person who fails to get appointed as a director in a general meeting, as an additional director at any time. Each such Additional Director shall hold office only up to the date of the next following Annual General Meeting, or the last date on which the annual general meeting should have been held, whichever is earlier, but shall be eligible for appointment by the Company at that meeting as a Director.
106.(1)	Filling up of casual vacancies	If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board.
(2)		Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it has not been vacated as aforesaid.
107.(1)	Appointment of Alternate Director	The Board of Directors may appoint a person, not being a person holding any alternate directorship for any other Director in the Company, to act as an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from India.
(2)		No person shall be appointed as an alternate director for an Independent Director unless he is qualified to be appointed as an Independent Director.
(3)		An Alternate Director shall be entitled to notice of meetings of the Directors, and to attend and vote thereat accordingly.
(4)		An Alternate Director shall vacate office if and when the Original Director returns to India.
(5)		If the term of office of the Original Director is determined before he so returns to India as aforesaid any provision for the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.
108.	Directors may act notwithstanding Vacancy	The continuing Directors may act notwithstanding any vacancy in the Board, but, if and so long as their number is reduced below three, the continuing Directors may act for the purpose of increasing the number of Directors to the said number, or of summoning a General Meeting of the Company, but for no other purpose.
109.(i)	Appointment of Additional, Alternate & Nominee Director(s)	Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, alternate director and nominee director provided the number of the directors and additional director, alternate director and nominee director together shall not at any time exceed the maximum strength fixed for the Board by the articles.
(ii)		Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.
110.	Contribution by Board to Funds	Subject to the provisions of the Act, the Board of Directors shall be empowered or authorized to make contribution to all kind of Statutory or Charitable funds whether its recognized or notified by the Central or State Governments of India or not.
MANAGING / WHOLE TIME DIRECTOR		
111.	Appointment of Managing/ Whole Time Director	Subject to the provisions of Sections 2(54), 2(94) and other applicable Sections, if any, of the Act, or as per Schedule V of the Act the Company by ordinary resolution or special resolution or the Board may from time to time appoint one or more of the Directors to be Managing Directors, Executive Directors or whole-time Directors of

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		the Company for a term not exceeding five years at a time and may from time to time and subject to provisions of any contract between him or them and the Company, remove or dismiss him or them from office and appoint another or others in his or their place of places.
112.	Role and Powers of Managing Director/Whole Time Director	The Managing Directors, Executive Director/Whole-Time Director shall have subject to the supervision, control and discretion of the Board, the management of the whole of the business of the Company and of all its affairs. Subject to the provisions of the Act and in particular to the prohibitions and restrictions in Section 179 of the Act, the Board may, from time to time, entrust to and confer upon a Managing Director, Executive Director or Whole-time Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions (if any) as it thinks expedient, and it may confer such powers, either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Board, in that behalf and may from time to time delegate, revoke, withdraw, alter or vary all or any of such powers
113.(i)	Remuneration To Directors	Subject to the provisions of the Act, the Board of Directors may, on the recommendations of the Compensation and Remuneration Committee or by such other name as may be called, constituted by the Board, determine the remuneration payable to the Managing Director, the Executive Directors or the Whole Time Directors as the case may be, in any manner they may deem fit. The remuneration may be in the form of a monthly salary and / or a commission based on profits and / or Share Based benefits as may be permitted under law or partly in one way and partly in another as the Board may deem fit.
(ii)		The Directors may, in addition to the remuneration referred to in the preceding clause, provide the Managing Director, the Executive Directors or Whole Time Director as the case may be, such allowances, amenities, benefits and facilities as they may deem fit from time to time with such sanction as may be necessary.
(iii)		The Managing Director, the Executive Directors or Whole Time Director as the case may be, shall be entitled to be reimbursed all his or their out-of-pocket expenses incurred by him or them in connection with the business of the Company.
(iv)		Subject to the provisions of Section 197 of the Act, the Directors of the Company may be paid remuneration by way of commission at such percentage as they deem fit of the net profits of the Company computed in the manner referred to in Section 198 of the Act, to be shared and distributed amongst the Directors inter-se in such proportions or proportions as they deem fit
(v)		The Directors for the time being of the Company may be paid a sitting fee as may be decided by the Board from time to time subject to the ceiling provided by the Act, for every meeting of the Board or of a Committee of the Board attended by them in addition to all traveling expenses by rail, road or air as the case may be and such other allowances as the Board may decide from time to time in respect of halting and other expenses incurred by them in attending and returning from such meeting of the Board or of any Committee of the Board and also for other visits made by Director for the Company's business subject to the provisions of the Act.
(vi)		If any Director is appointed to advise the Board as an expert or be called upon to perform extra services to make special exertion for any of the purposes of the Company, the Board may subject to and in accordance with the provisions of the Act and in particular Sections 197 and 188 of the Act, pay to such Director/s such special remuneration as they may think fit which remuneration may be in the form of salary and / or commission and / or percentage of profits and may either be in addition to or in substitution of the remuneration specified in the last preceding Article.
DUTIES OF THE DIRECTORS		
114.	Additional duties to be	Subject to the provisions of the Act, a director of a company shall perform the additional duties as described below:-

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	performed by the Board	<p>(i) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.</p> <p>(ii) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.</p> <p>(iii) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.</p> <p>(iv) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.</p> <p>(v) A director of a company shall not assign his office and any assignment so made shall be void.</p>
PROCEEDINGS OF THE BOARD		
115.(i)	Board Meeting	The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
(ii)		A director may, and the manager or Secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
116.(i)		Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
(ii)		In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
(iii)		The quorum of the Board Meeting shall be such number of Directors as contained in Section 174 of the Act.
117.	Increase in number of Directors	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.
118.(i)	Chairperson of the Meeting	The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
(ii)		If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
119.(i)	Meeting of Committees	The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
(ii)		Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
120.(i)	Chairperson of Committees' Meeting	A committee may elect a Chairperson of its meetings.
(ii)		If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
121.(i)	Adjournment of the Meeting	A committee may meet and adjourn as it thinks fit.
(ii)		Questions arising at any meeting of a committee shall be determined by a majority of

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		votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
122.	Acts by the Director to be valid	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
123.		Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
BORROWING POWERS OF DIRECTORS		
124.(i)	Conditions on which money may be borrowed	Subject to clause (ii) hereof the Directors may, from time to time at their discretion raise or borrow, or secure the repayment of any loan or advance taken by the Company. Any such moneys may be raised and the payment or repayment of such moneys may be secured in such manner and upon such terms and conditions in all respects as the Directors may think fit and, in particular by promissory notes, or by opening current accounts or by receiving deposits and advances at interest, with or without security, or by the issue of debentures or debenture-stock of the Company charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being, or by mortgaging, charging or pledging any lands, buildings, machinery, plants, goods or other property and securities of the Company, or by such other means as to them may seem expedient.
(ii)	Restrictions on powers of Board	<p>The Board of Directors shall not, except with the consent of the Company in General Meeting, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.</p> <p>No debt by the Company in excess of limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that Article has been exceeded.</p>
(iii)		Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company, shall be under the Control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
(iv)	Securities may be assignable free from Equities	Any such debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
(v)		If any other offer is made to the public to subscribe for or purchase debentures the provisions of the said Act relating to a prospectus shall be complied with.
125.(i)	Issue at discount etc. or with special privilege	Any such debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise, and on condition (with the consent of the Company in General Meeting) and they may have a right to allotment of or be convertible into shares of any denominations (with the consent of the Company in General Meeting by special resolution), and with any special privileges and conditions as to redemption (or being irredeemable), surrender, drawings, allotment of shares, attending (but not voting) at General Meeting of the Company, appointment of Directors, and otherwise, provided that no debentures, debenturestock, bonds or other securities may be issued carrying voting rights.

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(ii)		The Company shall have power to reissue redeemed debentures.
(iii)		A contract with the Company to take up and pay for any debentures of the Company may be enforced by a Deed for specific performance.
(iv)	Limitation of time for issue of certificates	<p>The Company, shall within two months after the allotment of any of its shares, and six months after the allotment of any debentures or debenture-stock, and within one month after the application for the registration of the transfer of any shares, debentures or debenture-stock have completed and have ready for delivery the certificates of all shares, the debentures and the certification of all debenture-stock allotted or transferred, unless the conditions of issue of the shares, debentures of debenture-stock otherwise provided.</p> <p>The expression “transfer” of the purpose of the sub clause means a transfer duly stamped, dated and otherwise valid, and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.</p>
126.(i)	Right to obtain trust deed	A copy of any trust deed for securing any issue of debentures shall be forwarded to the holder of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment of rupees fifty (Rs. 50/-);
(ii)		The Court may also, by order, direct that the copy required shall forthwith be sent to the person requiring it.
127.	Indemnity may be given	If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.
128.	Foreign register of members	The Company may exercise the power to keep foreign register of members or debenture holders or other security holders or beneficial owners residing outside India as provided in Section 88 of the Act.
SECRETARY		
129.	Appointment of Secretary	The Directors may from time to time appoint a person (hereinafter called “the Secretary”) to perform the functions and discharge the duties of Company Secretary in pursuance to the provisions of the Act and Regulation framed thereunder and to execute any other duties which may from time to time be assigned to the Secretary by the Directors.
CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER		
130.	Appointment of CEO, Manager, CS or CFO	<p>Subject to the provisions of the Act,—</p> <p>(i) A Chief Executive Officer, Manager, Company Secretary Or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any Chief Executive Officer, Manager, Company Secretary Or Chief Financial Officer so appointed may be removed by means of a resolution of the Board;</p> <p>(ii) A director may be appointed as chief executive officer, manager, Company Secretary or chief financial officer.</p>
131.		A provision of the Act or these regulations requiring or authorising a thing to be done by or to a Director And Chief Executive Officer, Manager, Company Secretary Or Chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as Director And As, Or In Place Of, Chief Executive Officer, Manager, Company Secretary Or Chief Financial Officer.
132.	Common Seal	The Common Seal of the Company, if any, be governed as per the provisions of the Act, and be affixed in accordingly.

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ACCOUNTS		
133.(i)	Accounts to be kept	<p>The Company shall keep at the office or at such other place in India as the Board thinks fit and proper, books of account, in accordance with the provisions of the Act with respect to:-</p> <ol style="list-style-type: none"> all sums of money received and expended by the Company, and the matters in respect of which the receipt and expenditure take place; all sales and purchase of goods by the Company; the assets and liabilities of the Company; such particulars, if applicable to this Company, relating to utilization of material and/or labour or to other items of cost, as may be prescribed by the Central government
134.	Inspection of Accounts Books	The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain the transactions represented by it. The books of account and other books and papers shall be kept at the Registered Office of the Company or such other place as the Board of Directors shall think fit and shall be open to inspection by any director, during business hours, on a working day after a prior notice, in writing, is given to the accounts or Finance department of the Company.
135.	Preservation of Books of accounts	Where the Boards decides to keep all or any of the books of account at any place, other than the office of the Company, the Company shall, within 7 (Seven) days, or such other period as may be fixed from time to time by the Act of the decision, file with the Registrar, a notice, in writing giving the full address of that other place.
136.		The Company shall preserve, in good order, the books of account, relating to the period of not less than 8 (Eight) years or such other period, as may be prescribed, from time to time under the Act, preceding the current year together with the vouchers relevant to any entry in such books.
137.		Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the Articles, if proper books of account, relating to the transaction effected at the branch office, are kept at the branch office and the proper summarised return, made up to day at intervals or not more than 3 (Three months) or such other period as may be prescribed from time to time, by the Act are sent by the branch office of the Company at its office or other place in India, at which the books of account of the Company are kept as aforesaid
138.	Annual accounts and Balance Sheet	At the first Annual General meeting and subsequently at each Annual General meeting, the Board of Director in accordance with section 129 and 134 of the Act, cause to prepare and to be laid before the Company a balance sheets and profit and loss Account since the incorporation of the Company if any and the Reports as are required by those Sections of the Act.
139.		The Directors shall make out and attach to every Balance Sheet laid before the Company in General Meeting a Report of the Board of Directors which shall comply with the requirements of and shall be signed in the manner provided by Section 134 of the said Act and the form of balance sheet and profit and loss account shall be in accordance with the provisions of the Act.
140.	Balance Sheet and Profit & Loss account to be sent to the Members	The Company shall send a copy of such balance sheet and profit and loss account together with a copy of the auditor's report to the registered address of every member, to the Auditors of the Company and every director of the Company in the manner in which notices are to be given hereunder at least twenty-one days before the meeting at which it is to be laid before the members of the Company.
141.		If the copies of the documents aforesaid are sent less than twenty one days before the date of the meeting they shall, notwithstanding that fact, be deemed to have been duly sent if it is so agreed by ninety five percent of the members entitled to vote at the meeting. The accidental omission to send the documents aforesaid, to or the nonreceipt of the documents aforesaid by, any member or other person to whom it

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		should be given shall not invalidate the proceedings at the meeting.
AUDIT		
142.	Appointment of Auditors	The Auditors, whether statutory, branch or internal shall be appointed and their rights and duties shall be regulated in accordance with the provisions of the Act and the Rules made thereunder.
143.	Accounts to be audited annually	Once atleast in every year the accounts of the Company shall be examined at the correctness of the profit and loss account and balance sheet ascertained by one or more auditors as provided in the Act.
144.	Auditor's right to attend meeting	The auditors of the Company shall be entitled to receive a notice of and to attend any general meeting of the Company at which any accounts which have been examined or reported on by them are to be laid before the Company and make any statement or explanation they desire with respect to the accounts and supplementary report and the comments if any, of the Comptroller & Auditor General of India.
WINDING UP		
156.	Winding Up of the Company	Subject to the provisions of Chapter XX of the Act and rules made there under—
(i)		If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
(ii)		For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
(iii)		The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
INDEMNITY AND RESPONSIBILITY		
157.	Indemnity	Subject to applicable provisions of Companies Act, 2013, every officer of the Company (Director, Managing Director, Manager, Auditor, Secretary and other Officer or servant of the Company) shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal and it shall be the duty of the Board of Directors out of the fund of the Company to pay all Costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any Contract entered into, or act or thing done by him as such officer or servant or in any way in the discharge of his duties, and the amount for which such indemnity is provided shall immediately be attached as lien on the property of the Company and have priority as between the members over all other claims.
158.	Individual responsibility of Directors	No Director or other officer of the Company shall be liable for the acts, receipts, neglect or defaults of any other Director or officer of the Company or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by the order of the Board of Directors for or on behalf of the Company, or for the sufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgment or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own negligence, default, misfeasance, breach of duty, or breach

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		of trust.
159.	Obligation of Directors and Key Managerial Personnel	The Directors and Key Managerial Personnel will not be liable or be required to bring contribution in order to satisfy the debts and liabilities of the company, and the costs, charges and expenses of the winding up unless contrary to abovesaid, the Tribunal decides or direct so.

Part B

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SHARE CAPITAL OF THE COMPANY		
1. (i)	New ESOP	<p>(A) Subject to Article 9.12, the Company shall create a New ESOP to allocate a maximum of 23,806 Equity Shares to the New ESOP Pool or such other amount on terms agreeable to the Investors and the Founders. Such New ESOP Pool shall to the extent the Company repurchases any of its issued Shares (either through a buy-back, reduction of capital or any other mechanism) from its existing Shareholders, stand increased to the extent of the Shares so repurchased by the Company. It is agreed that the Chart forming part of Section 2.2 of the Agreement reflects the shareholding pattern of the Company on a Fully Diluted Basis, on the Closing Date, prior to the grant of any options under the New ESOP Pool. The New ESOP may, if so decided by the Board, be managed by a trust to be formed by the Company on the terms and conditions acceptable to the Investors ("ESOP Trust") or by an ESOP Advisory Committee. The options issued under the New ESOP shall be convertible only into Equity Shares. The broad terms and conditions of the New ESOP shall be as approved by the Board subject to Article 9.12. It is hereby clarified that, upon vesting of all unallocated and unvested options under the New ESOP , to the extent not covered by the Existing ESOP , the percentage shareholding of all the Shareholders including the Investors shall proportionately stand reduced;</p> <p>(B) The options issued pursuant to the New ESOP will, unless otherwise approved by the Board with the consent of each Investor Director and one Founder Director, vest 20% per year, beginning at the first anniversary of the grant date, such that all options once issued shall be vested in five years;</p> <p>(C) Options issued under the New ESOP may, subject to applicable Law and approval of each Investor Director, be issued to Employees, Directors and such other associates or advisors to the Company as the Board (or a duly appointed committee thereof) may determine from time to time in accordance with the New ESOP;</p> <p>(D) All Shares held by the Employees pursuant to the New ESOP shall be subject to a right of repurchase in favor of the ESOP Trust, or such other Person as may be specified in the New ESOP or by the Board, at the original subscription price paid by the Employees, in the circumstances to be provided for in the New ESOP, including raising of a contention by that Employee that the Liquidation Preference of the Preference Shares contained in the Articles is illegal and/or invalid. The right of repurchase will be offered, on a pro-rata basis, to all existing Shareholders on a Fully Diluted Basis in the event it is not exercised by the ESOP Trust or such other Person for any reason.</p> <p>Notwithstanding anything contained in Article 2.1 (a) to (d) above, the adoption of the New ESOP by the Company and effecting of any actions taken in connection with the same, shall be subject to the Requisite Consent of the Investors under Article 9.12 hereof.</p>
(ii)	Voting and Dividend Rights	<p>(a) The Investors shall be entitled to exercise voting rights in proportion to their holding in the Company on an 'as if converted' basis.</p> <p>(b) The dividend rights of the Preference Shares are as indicated in the Terms and</p>

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		Conditions. All Equity Shares shall carry one vote per Equity Share.
(iii)		The Parties agree that: (A) Sanjeevni is an Affiliate of WCF and Westbridge for the purposes of the Existing SHA and WCF and Sanjeevni shall be entitled to all of the rights of the 'Investor' under the Articles, as a single block; (B) the rights of Sanjeevni as an Investor under the Articles shall be exercisable by WCF (the " Designated Party "); and (C) the rights of the Investor under Article 5 (Further Issue of Shares), Article 6 (Transfer of Shares), Article 7 (Qualified IPO) and Article 13.1 (Covenants with respect to the Liquidation Preference) shall be available to the WCF and Sanjeevni in proportion to their shareholding, provided that such rights shall be exercised by the WCF and Sanjeevni through the Designated Party. Further it is hereby clarified that the right to nominate a director under Article 9.2 (a) of the Existing SHA shall be jointly exercised by WCF and Sanjeevni as a single block through the Designated Party.
AMENDMENT OF THE ARTICLES		
2.(i)		These Articles (including the Restated Articles) shall at all times incorporate the terms and conditions of the Agreement and the other Transaction Documents (as applicable and not in conflict with the Agreement), including the Terms and Conditions to the maximum extent permitted under the Act. The Parties hereby undertake to vote their Shares and take such other actions as may be necessary to procure that the Company shall adopt the same and shall make all amendments thereto as may be required from time to time and as may be necessary to ensure that the Articles incorporate and are consistent with the provisions of the Agreement and the other Transaction Documents (as applicable and not in conflict with the Agreement).
(ii)		Every Shareholder of the Company, present and future, shall be deemed to join the Company with full knowledge of the terms and conditions set forth in the Articles (including the Restated Articles) and shall be bound thereby.
FURTHER ISSUE OF SHARES		
4.(i)	Further Issues	Other than (i) grants of stock or options or warrants to employees, consultants or directors under the Existing ESOP; (ii) Shares issued upon conversion of the Preference Shares into any other class of Shares; (iii) the issuance of Securities in an IPO; provided that the relevant action has been duly approved by the Board, including where necessary in the manner provided in Article 9.12 below (collectively, " Permitted Issuances "), the Company shall not make any further issue (by way of bonus, rights or Preferential Issue) of Shares or other Securities in the Company at any time after the date hereof, unless the provisions of Article 5.2 to Article 5.4 as applicable are duly complied with.
(ii)	Bonus Issue	Subject to Article 9.12, any bonus issue of Shares shall, without exception, be offered or issued by the Company to all Shareholders, pro rata to their respective shareholding in the Company on a Fully Diluted Basis, on identical terms (" Bonus Issue "). It is clarified that for the purpose of this Article, "Shareholders" shall include both the holders of the Equity Shares (including WestBridge Equity Shares), and Preference Shares, on an as if converted basis.
(iii)	Right Issue	<p>(a) Other than Permitted Issuances and subject to Article 9.12, (i) any issue of Shares or other Securities on a rights basis, including the issue of any instrument convertible into Shares, offered or issued by the Company, shall be offered on identical terms to all the Shareholders pro rata to their then existing shareholding on a Fully Diluted Basis, and (ii) any rights issue to holders of Equity Shares (including WestBridge Equity Shares) shall not be made unless corresponding rights issue is made to the holders of Preference Shares, on an as if converted basis ("Rights Issue");</p> <p>(b) Subject to Article 9.12, in the event of a Rights Issue, the Investors and the Founders shall have the option to subscribe to such Rights Issue either themselves or by renouncing such right of subscription in favour of their</p>

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		<p>respective Affiliate(s); and</p> <p>(c) In the event any Shareholder refuses, or fails to subscribe to, or wishes to renounce its entitlement under the Rights Issue within the period specified in the offer by the Board (which shall not be less than 14 days), the Board shall offer those Shares to the other Shareholders pro-rata to their respective shareholding in the Company on a Fully Diluted Basis and on terms and conditions which are identical to those offered to the first mentioned Shareholder. This procedure shall be repeated until all such Shares are either accepted by the other Shareholders, or any of them, or finally rejected.</p>
(iv)	Preferential Issue Rights of the Investors	Other than the Permitted Issuances, in the event the Company proposes to make a fresh issue of Shares or Securities (including, but not limited to convertible notes, preference shares, warrants and options), other than a Rights Issue or a Bonus Issue (" New Issuance "), the Investors will have the first right to subscribe to the New Issuance, on the basis of their then pro rata shareholding on a Fully Diluted Basis (" Pre Issuance Shareholding "), such that their shareholding percentages on a Fully Diluted Basis post New Issuance, is the same as Pre issuance Shareholding.
TRANSFER OF SHARES		
5.(i)	Founders' Restrictions on Transfer	The Founder Group hereby undertake for themselves and their Affiliates that hold any Shares that they shall not directly or indirectly, Transfer any of the Shares held by them in any manner whatsoever or create any Encumbrance with respect to any of the Shares held by them, unless it is in accordance with the provisions of Article 6, Article 9.12, wherever applicable.
(ii)	Right of First Offer, Right of First Refusal and Investor Tag Along Rights: -	<p>(a) If at any time, the Founder Group (which shall for the purpose of this Article 6 include their Affiliates who hold any Shares), desire to transfer any of their Shares ("Offered Shares") and such transfer would result in the Founder Groups' cumulative shareholding being 51% or more of the then total issued and paid-up share capital of the Company on a Fully Diluted Basis even after such transfer, the Founder Group shall first offer the Offered Shares to the Investors (such that such number of the Offered Shares as are offered to an Investor ("Investor Offered Shares") shall bear the same percentage to the total number of Offered Shares as the number of Preference Shares held by such Investor bears to the total number of Investor Shares), by way of a right to make the first price offer in respect of the Offered Shares ("Right of First Offer"). Each Investor shall, within 15 days of communication of the offer by the Founders ("ROFO Exercise Date"), indicate in writing ("Investor Notice") whether it wishes to purchase its entire portion of the Investor Offered Shares and if so, the price at which such Investor would be willing to make the purchase ("Offered Share Price"). The Founder Group shall then have the right to either accept or reject the Offered Share Price within a further period of 15 days of receipt of the Investor Notice. If the Founder Group does not respond to an Investor Notice, they shall be deemed to have rejected the offer made by that Investor. If the Founder Group have rejected the offer made by one Investor ("Rejected Investor") for such Rejected Investor's, Investor Offered Shares ("Rejected Shares") but accepted the Offered Share Price ("Accepted Price") made by the other Investor ("Accepted Investor") for such Accepted Investor's Investor Offered Shares ("Accepted Shares"), the Accepted Investor shall have the right to require the Founder Group to sell all of the Offered Shares to it (including the Rejected Shares), at the Accepted Price, provided that the Accepted Price shall be higher than the Offered Share Price offered by the Rejected Investor. The sale to an Investor shall be completed within 20 days from the date of receipt of Investor Notice:</p> <ul style="list-style-type: none"> • If both the Investors do not make any offer to purchase their respective Investor Offered Shares prior to the ROFO Exercise Date; then the Founder Group shall be at liberty to sell the Offered Shares to a third party purchaser at any price. Further, in the event the Accepted Investor does not exercise its right to purchase the Rejected Shares, then the Founder

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	<p>Group shall be at liberty to sell the Rejected Shares to any third party purchaser at any price, provided that if such price is lower than the Accepted Price, the Founders shall provide the Accepted Investor the opportunity (by notice) to purchase the Rejected Shares (prior to any such transfer to any third party purchaser), to be exercised by the Accepted Investor within 15 days of receipt the said notice, failing which the Founder Group shall be at liberty to sell the Rejected Shares at such lower price; and</p> <ul style="list-style-type: none"> • If the Founder Group do not accept the offer made by both the Investors for the Offered Shares, then the Founder <p>(b) Any such sale as detailed in (i) and (ii) above, shall be made within ninety (90) days from the date of communication of non-acceptance by the relevant Investor or the rejection by the Founders of the Offered Share Price by the relevant Investor, as the case may be ("ROFO Period"). If the Founder Group does not complete the sale of the Investor Offered Shares within the ROFO Period then the Founder Group shall not be entitled to sell any of the Investor Offered Shares without again offering the Investors the Right of First Offer.</p> <p>It is clarified that any sale of the Investor Offered Shares to any third party by the Founder Group under Article 6.2 (a) above, shall be subject to the Investor Tag Along Rights (as defined hereinafter). Further upon the Transfer of the Investor Offered Shares by the Founder Group under Article 6.2 (a), the Proposed Transferee shall be bound to execute the Deed of Adherence, if the Proposed Transferee is not a Shareholder prior to the Transfer of the Investor Offered Shares;</p> <p>(c) If at any time after Closing, any member of the Founder Group ("Transferor") desires to Transfer any of their Offered Shares, wherein such Transfer would result in the Founder Groups' cumulative shareholding being less than 51% of the total issued and paid up share capital of the Company on a Fully Diluted Basis, such Transferor shall, , within 5 (Five) Business Days of agreeing to such Transfer or at least 30 (Thirty) days before the proposed Transfer, whichever is earlier, send a written notice to each Investor ("Sale Notice") specifying (i) the identity of each of the proposed third party purchasers to whom the proposed Transfer is to be made (the "Proposed Transferee"), (ii) the number of Offered Shares proposed to be sold to such Investor ("Investor Sale Shares"), such that such number of the Investor Sale Shares shall bear the same percentage to the total number of Offered Shares as the number of Preference Shares held by such Investor bears to the total number Investor Shares (iii) the price per Investor Sale Share or other consideration for which the Transferor proposes to Transfer the Offer Shares ("Sale Price"), (iv) the material terms and conditions of the proposed Transfer ("Sale Terms"), (v) date of the proposed Transfer which shall not be less than 30 (Thirty) days from the date of receipt of Sale Notice by the Investor and (v) offer the Investor Sale Shares at the Sale Price and on the Sale Terms to the Investor. Each Investor shall have the right, exercisable at its sole discretion, within 15 days of receipt of the Offer Notice ("Exercise Date") to purchase, either itself or through an Affiliate, the Investor Sale Shares at the Sale Price and the Sale Terms by serving upon the Transferor a written notice in that regard ("Right of First Refusal"). If an Investor has not exercised its Right of First Refusal in relation to its Investor Sale Shares ("Rejected Sale Shares") within 15 days of receipt of the Sale Notice, the other Investor shall have the right to exercise its Right of First Refusal in relation to all of the Rejected Sale Shares, within 30 days of receipt of the Sale Notice. If none of the Investors have exercised their Right of First Refusal or if an Investor has not exercised its Right of First Refusal and the other Investor has exercised its Right of First Refusal but not exercised its right to purchase the Rejected Sale Shares, the concerned Investor Sale Shares/Rejected Sale Shares, as the case may be, may be sold by the</p>

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	<p>Transferor to the Proposed Transferee at a price no less than the Sale Price and on the Sale Terms, within a period of sixty days (60) days from the Exercise Date. Provided that, (i) if the Transferor does not complete the Transfer of such Investor Sale Shares/Rejected Sale Shares within a period of 60 (sixty) days from the Exercise Date, then the Transferor shall not be entitled to sell any of such Investor Sale Shares/Rejected Sale Shares (as applicable) without again offering the Investors the Right of First Refusal; and (ii) upon the Transfer of any or all the Offered Shares by the Transferor under this Article 6.2 (c), the Proposed Transferee shall be bound to execute the Deed of Adherence, if the Proposed Transferee is not a Shareholder prior to the Transfer of the Offered Shares;</p> <p>(d) Without prejudice to the Right of First Refusal and the Right of First Offer, in the event any member of the Founder Group ("Founder Member") proposes to Transfer any or all of the Founder Shares, and the Investors permits such Transfer (if applicable as per Article 6.2 (a)) and do not exercise the Right of First Refusal and/ or the Right of First Offer, as the case may be, the Investors shall be entitled to sell their pro rata shareholding in the Company on a Fully Diluted Basis ("Investor Pro Rata Shares") and as stated in sub-sections (e) to (k) below ("Investor Tag Along Rights");</p> <p>(e) The Founder Member shall, if so indicated in writing by an Investor, within 5 Business Days of expiry of the ROFO Exercise Date or the Exercise Date, as the case may be, obtain a bonafide written offer from the Proposed Transferee to purchase the Investor Sale Shares and the Investor Pro Rata Shares or all the Investor Shares (as applicable) ("Tag Along Shares"). Such offer (the "Outside Offer") shall:</p> <ul style="list-style-type: none"> • clearly state the identity of the Proposed Transferee; • clearly state the price per Tag Along Share offered by the Proposed Transferee, wherein such price shall be equal to the Sale Price ("Tag Along Price"); • clearly state the other material terms and conditions of the Outside Offer, which shall be no different than the Sale Terms; and • contain a specific undertaking from the Proposed Transferee that the Proposed Transferee will purchase from such Investor, for the Tag Along Price, the Tag Along Shares on the Sale Terms, simultaneously with the Purchase of the Shares being purchased from the Founder Member; <p>(f) The Founder Member shall within 2 Business Days of receiving the Outside Offer, provide a copy thereof, to such Investor. Upon receipt of the Outside Offer, such Investor shall have the right to exercise its Investor Tag Along Right by giving written notice thereof to the Founder Member and the Proposed Transferee, within 15 days of it receiving the Outside Offer, ((i) to accept the Outside Offer, or (b) reject the Outside Offer ("Tag Along Notice");</p> <p>(g) If an Investor accepts the Outside Offer, the Founder Member shall ensure that the Proposed Transferee shall complete the purchase of the Tag Along Shares and the Founder Member and such Investor shall sell the Tag Along Shares respectively to the Proposed Transferee within a period of 30 days from the date of the Tag Along Notice;</p> <p>(h) It is clarified that the Investors and/or the Proposed Transferee, as the case may be, shall take all necessary steps, including but not restricted to obtaining all consents, approvals, licenses, permits, orders or authorization of, or registration, declaration or filing with, any Governmental Authority or any other Person required to be obtained or made by or with respect to the</p>

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	<p>Investors, Proposed Transferee or the Founder Member, as the case may be, in connection with the sale and purchase of the Tag Along Shares. It is further clarified that the non exercise of Investor Tag Along Rights by one Investor shall not affect the Investor Tag Along Rights of the other Investor;</p> <p>(i) The Investors shall not be required to give to the Proposed Transferee, any representations and/or warranties or indemnification in respect of the Company or its Business or the Shares held by the Investors, except for representations and warranties regarding the validity of ownership and authorization to sell the Investor Pro Rata Shares held by each of them respectively;</p> <p>(j) If the Proposed Transferee refuses or fails to purchase the Investor Pro Rata Shares as provided in this Article 6.2, simultaneously with the Offered Shares, the Founder Member shall not be entitled to sell or otherwise transfer the Offered Shares to the Proposed Transferee. For avoidance of doubt, it is clarified that the Founder Member shall also not be entitled to transfer the Offered Shares thereafter to any Person without again complying with the provisions of this Article 6.2;</p> <p>(k) The Tag Along Rights of the Investors shall terminate immediately upon the completion or occurrence of an IPO or a Liquidation Event, whichever is earlier;</p> <p>(l) If any Investor has not exercised its Investor Tag Along Rights the Founder Member shall have a period of sixty (60) days from the expiration of the Tag Along Notice, to sell the Investor Sale Shares and such Investor Pro Rata Shares (as for which an Investor has exercised its Investor Tag Along Right) upon the terms and conditions no more favorable than those specified in the Sale Notice or Outside Offer, as the case may be. Any Investor sale Shares not sold within the seventy (70) day period may not be Transferred without again complying with this Article 6.2; and</p> <p>(m) It is clarified that if an Investor has exercised its right to purchase any Shares (the “Purchasing Investor”) held by any member of the Founder Group (or its Affiliates) pursuant to this Article 6.2 and the other Investor has exercised its Investor Tag Along Rights (the “Selling Investor”), the Purchasing Investor shall also be construed as a Proposed Transferee for the purposes of sub-sections (e) to (k) above and the Investor Tag Along Rights of the Selling Investor shall be applicable to purchase of Shares by the Purchasing Investor. If the Purchasing Investor does not agree to purchase the Pro Rata Tag Along Shares of the Selling Investor, the Founder Group (or the relevant Affiliates) shall be entitled to transfer the Offered Shares (along with the Pro Rata Tag Along Shares) to the Proposed Transferee originally identified by the member of the Founder Group (or its Affiliates).</p> <p>With respect to the provisions of this Article 6.2 with respect to any Equity Shares which may be offered for sale by the Promoters and/ or the Investors pursuant to the IPO, the rights and obligations of the Investors have been waived until the earlier of March 31, 2016 or the date on which the Board decides not to undertake the IPO</p>
(iii)	<p>Restriction on transfers by Investors</p> <p>The Investors shall not, except with the prior written consent of the Founders, transfer any of the Investor Shares to:</p> <p>(a) a Competing Business or Affiliates of a Person carrying on a Competing Business; or</p> <p>(b) a private equity fund which has invested in and has board representation and at least minority protection affirmative voting rights in a company listed in Schedule E; and</p> <p>There shall be no other restriction on the Investors on transfer of the Investor Shares.</p>

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		Notwithstanding anything contained in the Agreement or this Article 6.3, the prior written consent of the Founders will not be required where the Investors are selling the Investor Pro Rata Shares in exercise of the Investor Tag Along Rights.
(iv)	Right of Transferees:	The transferee of any Investor Shares and the transferring Investor shall enjoy the rights under this Part B of the Articles as a single block, till such time that the transferring Investor holds 5% of more of the Shares in the Company on a Fully Diluted Basis. Subject to proviso to Article 9.2, upon the transferring Investor holding less than 5% of Shares in the Company on a Fully Diluted Basis, the transferee shall be only entitled to rights under the Terms and Conditions attached to the Preference Shares. A transferee of any of the Investor Shares shall at all times be bound by all the non-compete, confidentiality and transfer restrictions imposed upon the Investors under this Part B of the Articles.
(v)	Acquisition or transfer of Shares through Affiliates	Subject to execution of the Deed of Adherence specified in Schedule B of the Agreement and the terms of Article 5, (a) the Investors or any of its Affiliates may at any time and from time to time during the subsistence of the Agreement acquire any new Shares or other Securities offered to it by the Company and/or the Founders under the provisions of the Agreement and/or transfer any existing Shares or other Securities held by it of the Company to one or more of its Affiliates, and (b) the Founder Group or any member of the Founder Group or their Affiliates may at any time and from time to time during the subsistence of the Agreement acquire any new Shares or other Securities offered to it by the Company and/or the Investors under the provisions of the Agreement and/or transfer any existing Shares or other securities held by it of the Company to one or more of its Affiliates.
(vi)	Legend on share certificates	<p>All share certificates of the Company issued to the Shareholders shall bear the following legend, as well as any other legends required under any applicable laws or regulations:</p> <p>THESE SHARES ARE SUBJECT TO THE TERMS AND CONDITIONS OF THE AMENDED AND RESTATED SHAREHOLDERS AGREEMENT DATED AUGUST 20, 2010 BY AND AMONG THE COMPANY AND THE SHAREHOLDERS OF THE COMPANY NAMED THEREIN. A COPY OF SUCH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT IS ON FILE AT THE REGISTERED OFFICE OF THE COMPANY. THE SALE, TRANSFER OR OTHER DISPOSITION OF THESE SHARES IS SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING CERTAIN RESTRICTIONS ON TRANSFERABILITY) OF THE AMENDED AND RESTATED SHAREHOLDERS AGREEMENT AND SUCH SHARES ARE TRANSFERABLE ONLY UPON PROOF OF COMPLIANCE THEREWITH. ANY ATTEMPT TO SELL, TRANSFER OR OTHERWISE DISPOSE OF THESE SHARES OTHER THAN IN COMPLIANCE WITH THE AMENDED AND RESTATED SHAREHOLDERS AGREEMENT SHALL BE NULL AND VOID.</p> <p>In addition to the above legend, share certificates evidencing the Preference Shares shall also bear a legend stating that the holders thereof have certain rights as detailed in the Agreement.</p>
(vii)	Invalid Transfers	The Company shall refuse to register any transfer or other disposition of Shares purported to be made by any Shareholder in breach of any of the provisions herein contained. The Parties shall cause their nominees on the Board to cast their votes in such a manner as to ensure that the Company registers all transfers made in accordance with this Article.
(viii)	Computation of Time Limits	For the transfers as contemplated in Article 6, the time taken to obtain the approvals from any Government Authority under applicable Law shall be excluded.
QUALIFIED IPO		
6.(i)		The Company and the Founders have agreed that they shall make all reasonable efforts to facilitate a Qualified IPO to be completed within a period of 36 months

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	<p>from the date of Closing. Without prejudice to the obligations of the Company and the Founders stated as aforesaid, after a period of 36 months from the Closing, if a Qualified IPO has not occurred, the Investors shall have the right to require the Company to conduct an IPO on a recognized stock exchange (whether or not such IPO can at such point in time, be a Qualified IPO), by delivering a notice to the Company and the Founders in the said regard ("IPO Request Notice").</p> <p>With respect to the provisions of this Article 7.1, the rights and obligations of the Investors have been waived until the earlier of March 31, 2016 or the date on which the Board decides not to undertake the IPO.</p>
(ii)	<p>Within 3 months of delivery of an IPO Request Notice by any Investor, the Board shall, in consultation with a firm of internationally reputed, independent merchant bankers, and subject to such statutory guidelines as may be in force, decide on the following matters in connection with the Company's IPO and deliver a notice to the Investors (the "IPO Proposal Notice") providing the following details:</p> <p>(a) The method of listing the Shares i.e. either:</p> <ul style="list-style-type: none"> • through a public issue of fresh Equity Shares, or • Through an offer of existing Equity Shares by some or all the Shareholders (an "Offer for Sale"); or • A combination of (i) and (ii). <p>(b) The price and other terms and conditions of the IPO;</p> <p>(c) The timing of the IPO;</p> <p>(d) The stock exchanges on which the Shares are to be listed; and</p> <p>(e) Any other matters related to the IPO.</p> <p>It is clarified that subject to the Investors' right to require the Company to conduct an IPO by delivering an IPO Request Notice and the Investors' Buy Back Right, non delivery of a Qualified IPO within a period of 36 months from the date of Closing shall not constitute a breach of these Articles by the Company.</p> <p>With respect to the provisions of this Article 7.2, the rights and obligations of the Investors have been waived until the earlier of March 31, 2016 or the date on which the Board decides not to undertake the IPO.</p>
(iii)	<p>The Company may at any time issue an IPO Proposal Notice, irrespective of whether an Investor has delivered a IPO Request Notice or not.</p>
(iv)	<p>If an IPO proposed by the Company as per the IPO Proposal Notice is not a Qualified IPO, either Investor may exercise its veto right pursuant to Article 9.12 (even if such Investor is the one that issued the IPO Request Notice), provided that if any Investor exercises such veto, then neither Investor shall be entitled to issue another IPO Request Notice for a period of 9 months from the exercise of such veto right.</p>
(v)	<p>Subject to Article 7.6A infra, in the event of the Qualified IPO or IPO (as the case may be) by way of Offer for Sale or partly by an Offer for Sale, the Founder Group and the Investors shall have the right to offer their Shares on a pro-rata basis upon the ratio of their shareholding in the Company for sale in the Qualified IPO or IPO (as the case may be).</p>
(vi)	<p>The Founders and the Investors agree to vote in favor of and to do all acts and deeds necessary for effecting the Qualified IPO or IPO (as the case may be). The Founders agree that, in the event of a Qualified IPO or IPO (as the case may be), they shall offer such number of their Shares for a lock-in as may be required to meet the minimum lock-in requirements under the SEBI guidelines. No Investor shall be required to call itself, and the Company shall not refer to any Investor, as "Founders" or "Promoters" in the offer documents or offer any of the Investor's Shares for such lock-in unless otherwise required by applicable Law.</p>

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(vi)A		It shall be the endeavor of all the Parties (without an obligation) that the Founders shareholding in the Company upon the IPO does not fall below 50.1% on Fully Diluted Basis. The Parties shall, to this effect engage with each other and the merchant banker prior to the IPO, and a decision shall be taken in the best interests of the Company.
(vii)		The Company shall, subject to applicable laws, bear all expenses for the IPO.
(viii)	Buy Back	<p>(a) In the event that, (i) the Company has not delivered an IPO Proposal Notice, within a period of three months of receipt of an IPO Request Notice from any Investor; or (ii), the Company has not successfully completed a IPO, within a period of 12 months from the date of an IPO Proposal Notice, an Investor shall have the right to require the Company to, at the option of such Investor, to convert if not previously converted, the Preference Shares held by such Investor to Equity Shares in the manner set out in the Terms and Conditions, and thereafter, forthwith and subject to the applicable Laws, the Company shall buy back, such number of Equity Shares as such Investor may stipulate ("Buy Back Shares") at the fair market value of the Shares (as computed in the manner provided in Article 7.8.3 infra) ("Buy Back Right"). It is hereby clarified that if the Company has successfully completed an IPO the Buy Back right of the Investors shall terminate.</p> <p>(b) In the event that an Investor chooses to exercise its Buy Back Right, such Investor shall give a notice of 60 days to the Company and the Founders ("Buy Back Notice"). The Company and the Founders shall upon receipt of the Buy Back Notice, exercise their option to either buy back the Buy Back Shares or procure a third party purchaser to purchase the Buy Back Shares at the Buy Back Price as determined in the manner provided in Article 7.8.3 below. In the event the Company /Founders are able to identify a third party purchaser to purchase the Buy Back Shares at the Buy Back Price within the 60 days period mentioned in the Buy Back Notice, the Investor shall transfer the Buy Back Shares to such purchaser upon receipt of the moneys equivalent to the Buy Back Price. In the event an Investor (acting in its sole discretion) does not transfer all its Buy Back Shares to such third party purchaser, such Investor shall not have the right to call upon the Company for any buy back for a period of 3 months thereafter. The provisions of Article 6.2 shall not apply to a transfer under this Article 7.8. In the event the Company/Founders fail to identify a third party purchaser within a period of 60 days the Company shall be obliged to buy back all the Buy Back Shares at the Buy Back Price.</p> <p>(c) The Buy Back Shares shall be paid for in cash at a price equal to the fair market value ("FMV") of the Buy Back Shares, in addition to any accrued but unpaid dividends, (the "Buy Back Price"). The FMV shall be determined by a reputed international firm of chartered accountants operating in India or investment bank ("Valuer"), selected by the Investors and the Founders from a pre-determined mutually acceptable list of such firms/banks. If the Investor and Founders are unable to agree on one Valuer, then the Investors (jointly) and Founders shall appoint one Valuer and the FMV shall be the average of the values determined by both Valuers. Provided that if the FMV determined by both Valuers varies by more than 20%, then both Valuers together shall appoint a third Valuer who shall determine the FMV within the range of values determined by the original two Valuers, and such FMV shall be binding on the Parties as the Buy Back Price. The fees of the Valuer or Valuers shall be shared equally by the Company and the Investors.</p> <p>(d) The Founders expressly agree to vote at Board and shareholder meetings in a manner so as to give effect to the buy back as contemplated in this Article and further not to offer any of their Shares to the Company in any buy back until the Buy Back Shares have been bought back in full.</p> <p>(e) If any Investor has exercised its veto right (pursuant to Article 9.12) in relation</p>

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		<p>to an IPO proposed by the Company in an IPO Proposal Notice, the Investors shall not be permitted to exercise their Buy Back Right under this Article 7.8 for a period of 12 months from the date of exercise of such veto, provided that this Article 7.8.5 shall not apply to any veto exercised by either Investor on the third occasion when an IPO Proposal Notice is issued by the Company.</p> <p>With respect to the provisions of this Article 7.8, the rights and obligations of the Investors have been waived until the earlier of March 31, 2016 or the date on which the Board decides not to undertake the IPO.</p>
BORROWINGS AND FUNDING		
7.		<p>(a) In the event that the Board determines that the Company requires additional funds, the Company and the Founders will make all reasonable efforts to procure funding; and</p> <p>(b) The Parties hereto expressly agree that in the event the Company proposes to borrow funds from any Person, including but not limited to banks and financial institutions, the Investors shall not be asked, or be required to give any warranties, letter of comfort and/or guarantees, of any nature whatsoever or any loans or with regard to any aspect of the business or functioning of the Company.</p>
MANAGEMENT OF THE COMPANY		
8.(i)	Directors	The Company shall be managed by the Board of Directors.
(ii)	Board Composition	<p>The Parties shall take necessary action to ensure that the Board shall be constituted to comprise of a maximum of 12 (twelve) Directors in accordance with the following:</p> <p>(a) WestBridge shall, as long as it continues to own at least 5% of the Shares in the Company on a Fully Diluted Basis, be entitled to nominate and appoint 1 (one) non-retiring non-rotational Director ("WestBridge Director");</p> <p>(b) the Purchaser shall, as long as it continues to own at least 5% of the Shares in the Company on a Fully Diluted Basis, be entitled to nominate and appoint 1 (one) non-retiring, non-rotational and non-executive Director ("Purchaser Director").</p> <p>The WestBridge Director and the Purchaser Director are hereinafter individually referred to as the "Investor Director" and collectively referred to as the "Investor Directors";</p> <p>(c) The 2 (two) Founders shall be appointed as Directors. Dr. Arvind Lal will continue to be the Managing Director of the Company;</p> <p>(d) The Founders shall jointly be entitled to nominate and appoint 2 (two) more Directors;</p> <p>(e) The Founders (in their capacity as Directors) and the other Directors nominated and appointed by the Founders in the manner stated hereinabove shall hereinafter be collectively referred to as the "Founder Directors" and individually as a "Founder Director"; and</p> <p>(f) Such number of independent directors with the relevant experience and network, as may be required by applicable law, to be mutually nominated by the Founder and the Investors shall be appointed by the Company. The independent directors shall meet all requirements of being an 'independent director' under the stock exchange's standard listing agreement and Companies Act, 2013 (as amended from time to time).</p> <p>The maximum number of directors shall thus be 12 (twelve).</p>

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		<p>Provided that if a Person ("transferee") acquires a cumulative holding of 10% or more of the total shareholding in the Company on a Fully Diluted Basis from either the Founders or the Investors, such transferee will be entitled to appoint one Director on the Board. If such transferee accepts the right to appoint a Director, then the Founders shall, as long as their shareholding in the Company after such transfer is more than 51% of the shareholding of the Company on a Fully Diluted Basis, be entitled to appoint such number of Directors as may be necessary to maintain their simple majority on the Board and accordingly the strength of the Board shall stand increased.</p> <p>Additional Directors may be appointed to the Board subsequently from time to time but only with the consent of the Investors and at least one Founder.</p>
(iii)	Observers	<p>Each of the Investors shall as long as each Investor continues to own at least 5% of the Shares in the Company on a Fully Diluted Basis, have the right to designate a representative to attend all meetings of the Board and any committees thereof (whether in person, telephonically or by other means) in the capacity of a non-voting observer (each, an "Observer"). The Investors shall provide the Observer, all notices and materials provided to Directors, including the Investor Directors. The Observer shall sign a confidentiality agreement with the Company.</p>
(iv)	Manner of Appointment of the Directors and Term	<p>The Parties agree that, in pursuance of Article 9.2, the power to remove a Director lies solely with the Party so entitled to nominate that Director. Each Party so entitled, may by notice in writing signed by them and left at or sent to the registered office of the Company, nominate their nominee Directors and by like notice remove any Director so appointed. The Party nominating a Director shall from time to time, by like notice, have the right to appoint any other person to be a Director in the place of the Director so removed or in the place of any Director vacating office as a result of being removed by that Party or in any other way; provided that if required by applicable Law, the Board, as soon as practicable (and in any event prior to the consideration of any other matter) upon notice from any Party nominating the Director, shall remove such Director(s) and appoint any replacement director designated or nominated by such Party. In case of Founders, any vacancy caused due to his/her death, in capacity or any other like reason of any one of Founders, shall be filled in by the surviving Founder, and in the event of the death, incapacity etc. of both the Founders, by their legal heirs.</p>
(v)	Board of directors of Subsidiaries	<p>The composition of the board of directors of all Subsidiaries shall reflect the composition of the Board, as indicated in Article 9.2 above, provided that an Investor has the option to inform the Company that such Investor does not wish to nominate directors on the board of directors of the relevant Subsidiary.</p>
(vi)	No Qualification Share	<p>A Director need not hold any qualification Shares.</p>
(vii)	Vacation of Office by a Director	<p>The office of a Director shall be vacated if:</p> <ul style="list-style-type: none"> (a) such Director becomes bankrupt or makes any arrangement or composition with his creditors generally; or (b) such Director becomes prohibited or disqualified from being a Director by a reason of any order made under Article 274 or any other provisions of the Act; or (c) such Founder Director is in Material Breach; or (d) such Director resigns his office by notice in writing to the Company.
(viii)	Casual Vacancies	<p>If any Director dies, resigns, vacates or is removed from office before his term expires, the resulting casual vacancy may be filled by a nominee of the Party who originally nominated the Director vacating office, but any person so nominated, shall retain his office only so long as the vacating Director would have retained the same, if no vacancy had occurred. For vacancy(ies) caused as above in relation to a Founder who is a Director and a Founder Director, the same shall be filled in the</p>

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(ix)	<p data-bbox="600 237 966 264">manner specified in Article 9.4 above.</p> <p data-bbox="600 283 1421 363">Subject to Article 9.12 relating to the approval of certain specified matters, the Board shall approve decisions or pass resolutions and grant consents only at meetings held in accordance with the following procedures:</p> <p data-bbox="600 392 1027 420">(a) <u>Number of Board Meetings and Venue</u></p> <p data-bbox="656 447 1421 720">The Board shall meet at least four (4) times in every calendar year and at least once in every calendar quarter. Meetings of the Board shall be held at such place, within India, as the Directors including the Investor Directors agree, from time to time. Subject to applicable Laws, all reasonable expenses and costs incurred by the Directors to attend such meetings shall be borne by the Company. The Directors shall not receive a sitting fee for attending a Board Meeting. A Board meeting may also be held by teleconference or video conferencing and/or the presence of a Director at a meeting may be recorded if he is present over telephone or video conferencing, if such meeting or presence, as the case may be, is not contrary to Law.</p> <p data-bbox="600 749 982 777">(b) <u>Convening Meetings of the Board</u></p> <p data-bbox="656 804 1421 884">Any Director may, and the secretary of the Company, if so appointed, shall on the requisition of a Director, summon a meeting of the Board, in accordance with the notice and other requirements set out in paragraphs (c) and (d) below.</p> <p data-bbox="600 913 912 940">(c) <u>Notice for Board Meetings</u></p> <p data-bbox="656 968 1421 1102">At least fifteen (15) days prior written notice shall be given to each of the Directors of any meeting of the Board. A meeting of the Board may be held at a shorter notice with the written consent (which may be signified by letter, facsimile or e-mail with receipt acknowledged) of at least 3 Directors including the written consent of both the Investor Directors and 1 Founder Director.</p> <p data-bbox="600 1131 837 1159">(d) <u>Contents of Notice</u></p> <p data-bbox="656 1186 1421 1488">Every notice convening a meeting of the Board shall set forth in full and sufficient detail each item of the business to be transacted thereat, and no item or business shall be transacted at such meeting, unless the same has been stated in full and in sufficient detail in the notice convening the meeting, except as otherwise consented to by all the Directors, or their respective alternate Directors. The draft resolutions and other documents for all matters to be considered at the Board meeting must be furnished to all the Directors along with the notice convening the proposed Board meeting at least seven days prior to the Board meeting. The secretary of the Company shall prepare the notice for the meetings. If the secretary is unavailable, unwilling or unable to do so, the Director that summoned the meeting shall prepare the notice.</p> <p data-bbox="600 1518 964 1545">(e) <u>Quorum for the Board Meetings</u></p> <p data-bbox="656 1572 1421 1652">The quorum for a Board meeting shall be at least four Directors, including both the Investor Directors (or their alternate, as the case may be) and one Founder Director.</p> <p data-bbox="656 1682 1421 1761">A meeting of the Board shall not be held or continued without the presence, at all times, of the quorum unless such Directors have expressly waived the requirement for his presence either in writing or by facsimile transmission.</p> <p data-bbox="656 1791 1421 1896">If a quorum is not present within 30 minutes of the scheduled time for any meeting of the Board or ceases to exist at any time during the meeting, then the meeting shall be adjourned, for a period determined by the Chairman, which period shall not be less than 7 days (it being understood that the agenda for</p>

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	<p>such adjourned meeting shall be the same as the agenda for the original meeting and the quorum for such adjourned meeting shall be the Directors present thereat, not being less than two). Notice of the adjourned meeting shall be given to all Directors by facsimile transmission or e-mail with receipt acknowledged.</p> <p>Provided that if the Investor Directors and one Founder Director is not present at such adjourned Board meeting as is required under this sub-section (e), the Board shall not take such action or pass such resolutions in respect of matters referred to in Article 9.12 specified in the notice of the Board meeting (consequently the adjourned meeting), unless the Investors (as applicable) and/or the Founders, as required, have consented in writing to such action being taken or such resolution(s) being passed, prior to the convening of such meeting.</p> <p>(f) <u>Conduct of Proceedings at the Board Meetings</u></p> <p>English shall be the language used at all Board meetings and non-English speaking Directors shall be required to express themselves through interpreters who have entered into confidentiality agreements with the Company.</p> <p>(g) <u>Committees of the Board</u></p> <p>(A) A committee of Directors or other Persons to whom any powers of the Board are delegated, can be appointed only by the Board. The Investors shall as long as each Investor continues to own at least 5% of the Shares in the Company on a Fully Diluted Basis, have the right to appoint 1 (one) nominee each as member(s) of any such committee. The Founders shall, collectively have the right to appoint 3 (three) nominees each as member(s) of any such committee. Any matters covered under Article 9.12 and delegated to any such committees shall continue to be subject to the consent requirement set forth in Article 9.12 and elsewhere in these Articles. It is clarified that the Board shall lay down the provisions pertaining to the conduct of the meetings of any committee constituted under this Article 9.9(g). The quorum requirements for committee meetings shall also be the same as those applicable to Board meetings.</p> <p>(B) The Company shall constitute a compensation committee of the Company ("Compensation Committee") in the manner indicated in Section 9.9(g) (i) above. In addition to any other duties/responsibilities of the Compensation Committee, the Compensation Committee shall discharge the following functions, subject to applicable Law:</p> <ul style="list-style-type: none"> • Periodically reviewing and recommending any significant changes in the terms of the Employment Agreements of the Key Employees; • Increase in remuneration of any Director or Managing Director or any scheme of profit sharing for the benefit of any Employee; and • Amending the terms of the Existing ESOP. <p>(C) The Company shall constitute an existing audit committee of the Company ("Audit Committee") in the manner indicated in Section 9.9(g) (i) above. In addition to any other duties/responsibilities of the Audit Committee, the Audit Committee shall discharge the following functions, subject to applicable Law:</p> <ul style="list-style-type: none"> • Recommend changes to the financial year for preparation of audited accounts;

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		<ul style="list-style-type: none"> • Recommend changes to accounting or tax compliance policies or practices; • review the conduct of the Business; • review all books and records pertaining to the Company and the conduct of the Business; • review all management letters, reports and other information provided by the auditors of the Company; and • such other functions pertaining to audit and other matters as stated as may be decided by the Board from time to time. <p>(h) <u>Circular Resolutions</u></p> <p>The Board may act by written resolution, or in any other legally permissible manner, on any matter, except as set forth in Article 9.12 hereof and except for matters, which by Law may only be acted upon at a meeting. Subject to any restrictions imposed by Law, no written resolution shall be deemed to have been duly adopted by the Board, unless such written resolution shall have been approved by the requisite majority of Directors, as provided in various Articles and subject to the Requisite Consent requirement in Article 9.12 (where applicable). If a Director, does not convey his acceptance or rejection of the proposed resolution within 15 (fifteen) days from the date of receipt of the requisite documentation including explanatory statements and supporting documents, he shall be deemed to have rejected the proposed resolution.</p> <p>(i) <u>Alternate Directors</u></p> <p>The Company and Founders shall take all necessary steps to cause the Board, at the request of any of the Investor Directors, to accept the appointment of an alternate Director recommended by such Investor Director/Investor, to act in such Investor Director's absence.</p> <p>(j) <u>Managing Director of the Company</u></p> <p>Dr. Arvind Lal shall continue to be the Managing Director of the Company on the terms and conditions contained in his Employment Agreement.</p> <p>With respect to the provisions of this Article 9.9, the rights and obligations of the Investors have been waived, solely to the extent of actions and matters required for the facilitation of the IPO, until the earlier of March 31, 2016 or the date on which the Board decides not to undertake the IPO.</p>
(x)	Employment Agreements	All the Founders and Key Employees have entered into Employment Agreements and shall be governed by the terms thereof
(xi)	Decisions of the Board	<p>(a) Except as mentioned elsewhere in this Part B of the Articles, including in Article 9.12, the questions arising at any meeting of the Board or decision by circular resolution, shall be decided by a simple majority of votes; and</p> <p>(b) All the matters relating to execution of an agreement or any contract or arrangement, including granting of loans, between the Company on the one hand and any or all of the Directors, Founders and/or their Affiliates on the other hand or the matters relating to termination of such agreements, contracts or arrangements shall be discussed and decided upon only at the meeting of the Board.</p>
(xii)	Restrictions on the Powers of the Board and	Notwithstanding any other provision of this Part B of the Articles (except as may be required in connection with an IPO of the Company upon the service of an IPO

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Company	<p>Request Notice by an Investor under Article 7.1) or any power conferred upon the Board by the Agreement, the Act or these Articles, the Parties shall ensure that the Company and each Subsidiary (for the purposes of this Article 9.12, "Company" shall include each Subsidiary) shall refrain from undertaking any of the matters specified herein below unless such matters shall have been approved by Requisite Consent:</p> <ul style="list-style-type: none"> (a) any change in the rights of any Securities issued by the Company or any change including a recapitalization or reclassification of any of the outstanding Securities or alteration in the rights of any class of Shareholders; (b) issue or transfer of any additional Shares or other Securities except for: <ul style="list-style-type: none"> 1. any transfers of Shares by a Party effected in accordance with the procedure under Article 6.2 above; 2. mandatory conversion of the Preference Shares upon closing of an IPO; and 3. issuance of Shares pursuant to a Qualified IPO; (c) effecting an acquisition of another entity or the sale, merger, consolidation or reconstitution of the Company or any transaction that results in a change in Control of the Company or taking any decision to dissolve, liquidate, dispose of, sell, license, assign or Transfer all or substantially all of the assets or the Business or any IP Rights of the Company including a sale or license to a third party, except in the ordinary course of Business; (d) appointment or removal of Key Employees of the Company or alteration of the terms of employment or appointment of the Key Employees as well as the five highest paid Employees besides the Key Employees at any particular point of time and the variation of terms of any other Employee that would result in such Employee being among the five highest paid Employees of the Company besides the Key Employees; (e) Approving, amending and finalizing the terms and conditions (including the terms of granting and vesting of options and issuance of shares); (f) finalizing, approving, varying the Business Plan or any matter relating to the Business Plan; (g) any incurrence or discharge of Indebtedness by the Company in excess of Rs. 1 Crore (excluding accounts payable) in one or more transactions outside the Business Plan or the giving of any guarantee or comfort letter by the Company to any person exceeding in the aggregate Rs. 1 Crore outside the Business Plan; (h) creating a new Subsidiary or divesting from any Subsidiary or forming a collective investment vehicle or a sale or winding up of any Subsidiary; (i) any change in the scope of Business, entry into a new line of business, suspension or cessation of Business or transfer of all or material portion of the Business outside the Business Plan; (j) changing the status of the Company from a private to a public company, other than under applicable Law prior to effecting an IPO (other than a Qualified IPO), a listing of Shares on the stock exchange and matters connected therewith (other than in relation to a Qualified IPO); (k) effecting or undertaking any steps in relation to an IPO (other than a Qualified IPO);

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		<p>(l) appointment of additional Directors other than as contemplated herein or changing the constitution or strength of the Board or replacing Dr. Arvind Lal as a Director;</p> <p>(m) buying back (excepting the buyback contemplated under Article 7.8 herein or extinguishing/redeeming any Shares;</p> <p>(n) related party transactions or any agreement or arrangement between the Company and/or any Shareholder, Director, Founder and/or their Affiliates;</p> <p>(o) the establishment or change of the dividend policy of the Company or any subsidiary, the declaration of or setting aside of amounts for any dividend or interim dividend; and</p> <p>(p) any amendments to the Memorandum or Articles;</p> <p>The restrictions contained in this Article 9.12 shall terminate a) on the distribution of proceeds following the occurrence of a Liquidation Event in the manner provided in this Part B of the Articles and the Terms and Conditions; and b) and on the occurrence of an IPO.</p> <p>With respect to the provisions of this Article 9.12, the rights and obligations of the Investors have been waived, solely in respect of actions and matters required to be taken and/ or given effect to for the facilitation of an IPO, until the earlier of March 31, 2016 or the date on which the Board decides not to undertake the IPO.</p>
(xiii)		[Deleted]
(xiv)	Manner of Giving Consents	<p>Where any consent or approval is requested in writing from any of the Investors or the Investor Directors, such consent or approval shall be deemed to have been given if:-</p> <p>(a) an Investor Director, votes in favour of such matter at a duly convened meeting of the Board or of the Compensation and Audit Committee; or</p> <p>(b) the Investor authorised representative votes in favour of such matter at a duly convened meeting of the Shareholders of the Company.</p>
(xv)	Liability of Investor Director	<p>(a) The Founders and the Company expressly agree that the Investor Directors will be non-executive Directors;</p> <p>(b) The Founders and the Company expressly agree and undertake that the Investor Directors shall not be in charge of, or responsible for the day to day management of the Company and shall not be deemed to be "officers in default" as the term is defined in the Act and shall accordingly not be liable for any default or failure of the Company in complying with the provisions of any applicable laws;</p> <p>(c) The Founders and the Company expressly agree that the Investor Directors shall not be identified as officers in charge/default of the Company or occupier of any premises used by the Company or an employer of the Employees. Further, the Founders and the Company undertake to endeavor that the other Directors or suitable persons are nominated as officers in charge/default and for the purpose of statutory compliances, occupiers and/or employers as the case may be in order to attempt to ensure that the Investor Directors do not incur any liability; and</p> <p>(d) The Investors shall not be required to pledge their shares or provide any support to any third party, including but not limited to lenders of the Company and the Company will not register or acknowledge such Encumbrance on the</p>

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		Investor Shares unless an Investor itself Encumbers its Shares.
(xvi)	Indemnification	<p>(a) The Company shall indemnify and keep indemnified the Investors, their officers, employees, agents, Affiliates who have signed a Deed of Adherence and the Investor Directors (collectively, the "Investors Indemnified Persons") to the maximum extent permitted under applicable Law against any actual losses (excluding loss of profit, remote and consequential losses) that any Investors Indemnified Person may at any time become subject to or liable for in connection with claims brought against any of them on behalf of the Company or by a third party in connection with any of their status as a holder of Shares, Director or officer of the Company or any of their service to or on behalf of the Company except to the extent losses are determined in a final non-appealable decision of a court of competent jurisdiction to have arisen out of the gross negligence, willful misconduct or fraud of such Investors Indemnified Person(s); and</p> <p>(b) The Company shall indemnify and keep indemnified the Founders, their officers, employees, agents, Affiliates who have signed a Deed of Adherence and the Founders Directors (collectively, the "Founders Indemnified Persons") to the maximum extent permitted under applicable Law against any actual losses (excluding loss of profit, remote and consequential losses) that any Founders Indemnified Person may at any time become subject to or liable for in connection with claims brought against any of them on behalf of the Company or by a third party in connection with any of their status as a holder of Shares, Director or officer of the Company or any of their service to or on behalf of the Company except to the extent losses are determined in a final non-appealable decision of a court of competent jurisdiction to have arisen out of the gross negligence, willful misconduct or fraud of such Founders Indemnified Person(s).</p>
SHAREHOLDERS MEETINGS		
9.(i)	General Meetings	An annual general meeting of the Shareholders of the Company shall be held within 6 (six) months of the end of the financial year as provided under the Act. Subject to the foregoing, the Board, on its own or at the request of an Investor, may convene an extraordinary general meeting of the Shareholders, whenever they deem appropriate.
(ii)	Notices for General Meetings	At least 21 (twenty-one) days' prior written notice of every general meeting of Shareholders shall be given to all Shareholders whose names appear on the Register of Members of the Company. A meeting of the Shareholders may be called by giving shorter notice with the written consent of Shareholders as provided by the Act, including the Investors.
(iii)	Contents of Notice	The notice to Shareholders shall specify the place, date and time of the meeting. Every notice convening a meeting of the Shareholders shall set forth in full and sufficient detail the business to be transacted thereat, and no business shall be transacted at such meeting unless the same has been stated in the notice convening the meeting. The draft resolutions to be considered at the Shareholders meetings must be furnished to all the Shareholders along with the notice for the proposed Shareholders meeting.
(iv)	Chairman for General Meeting	<p>(a) The Managing Director of the Company shall be the Chairman for all general meetings, unless the meeting is called by an Investor, in which case such Investor will appoint the Chairman for that meeting. The Chairman shall not have any second or casting vote;</p> <p>(b) English shall be the language used at all Shareholder meetings and non-English speaking Shareholders shall be required to express themselves through interpreters who have entered into confidentiality agreements with the Company; and</p> <p>(c) Subject to applicable Law, shareholders shall be permitted to participate in</p>

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		shareholder meetings by teleconference or videoconference.
(v)	Proxies	Any Shareholder of the Company may appoint another Person as his proxy (and in case of a corporate shareholder, an authorized representative) to attend a meeting and vote thereat on such Shareholder's behalf, provided that the power given to such proxy or representative must be in writing. Any Person possessing a proxy or other such written authorization with respect to any Equity Shares shall be able to vote on such Equity Shares and participate in meetings as if such Person were a Shareholder.
(vi)	Irrevocable Proxy	<p>So long as an Investor continues to hold any Preference Shares, the Founders shall collectively, grant an irrevocable proxy (to be substituted only in the circumstances specified hereunder) or other appropriate authority to such Investor (or any Person designated by such Investor) to vote on such number of Equity Shares of the Founder in proportion to their holdings of Preference Shares on an as if converted basis. This proxy will be deemed to be amended from time to time whenever there is a pro rata increase or decrease upon subsequent acquisition or disposition of Preference Shares by such Investor.</p> <p>The Parties agree that if a third party becomes a Shareholder holding Equity Shares, it shall be a condition of issue of Equity Shares to such third party that the third party shall grant a pro-rata irrevocable proxy along with the Founders to the Investor referred above so that the effective voting rights of all parties (including such third party) are proportionate to their respective shareholding in the Company on a Fully Diluted Basis.</p>
(vii)	Quorum for General Meetings	At least 3 (three) Shareholders including an authorized representative of each of the Investor and an authorised representative of the Founders, shall be necessary to form a quorum for a valid general meeting unless the authorized representative of the Investors and/or the Founder, as the case may be, provides written notice prior to commencement of any general meeting or adjourned meeting waiving the requirement of his presence to constitute valid quorum for a particular general meeting or adjourned meeting, as the case may be.
(viii)	Adjournment of General Meetings for lack of Quorum	<p>If a quorum is not present within 30 minutes of the scheduled time for any Shareholders meeting or ceases to exist at any time during the meeting, then the meeting shall be adjourned, to the same day, place and time in the next succeeding week (it being understood that the agenda for such adjourned meeting shall remain unchanged and the quorum for such adjourned meeting shall be the Shareholders present thereat, not being less than two).</p> <p>Provided that if the authorized representative of each of the Investors and the Founders is not present at such adjourned meeting as is required under Article 10.7, the Shareholders shall not take such action or pass such resolutions in respect of matters referred to in Article 9.12 specified in the notice of the meeting (consequently the adjourned meeting), unless the Investors and/or the Founders, as required, have consented in writing to such action being taken or such resolution(s) being passed, prior to the convening of such meeting.</p>
(ix)	Decision Making	<p>Except as otherwise required by the relevant applicable Laws, all decisions of the Shareholders of the Company shall be made by simple majority. Provided however, that no decision shall be taken by the Shareholders of the Company at a general meeting of the Shareholders, in respect of any of the matters mentioned in Article 9.12 above, which are either statutorily required to be decided at a general meeting or are otherwise referred to the Shareholders for their decision, unless in compliance with Article 9.12 above.</p> <p>With respect to the provisions of this Article 10, the rights and obligations of the Investors have been waived, solely in respect of any actions and matters required to be taken and/ or given effect to for the facilitation of the IPO, until the earlier of March 31, 2016 or the date on which the Board decides not to undertake the IPO.</p>
EXERCISE OF VOTING & OTHER RIGHTS BY PARTIES		
10.(i)		The Investors and the Founder Group jointly undertake to ensure that they, their

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		representatives and proxies representing them at the general meetings of the Shareholders of the Company shall at all times exercise their votes and through their respective appointed/nominated Directors (or alternate directors) at Board meetings and otherwise, act in such manner so as to comply with, and to fully and effectually implement the spirit, intent and specific provisions of the Articles.
(ii)		If a resolution contrary to the terms of Part B of these Articles is passed at any meeting of Shareholders or at any meeting of the Board or any committee thereof, such resolution shall be null and void.
(iii)		The Parties agree that on conversion of all or any of the Investor Shares into Equity Shares (the "Converted Equity Shares") all rights with respect to such Investor Share under the Articles shall apply mutatis mutandis to the Converted Equity Shares.
DAY TO DAY MANAGEMENT AND INFORMATION		
11.(i)		The day-to-day management of the Company shall be vested with the Managing Director, subject to the superintendence, guidance and direction of the Board.
(ii)		<p>The following matters will constitute the business policy of the Company and will be adhered to and followed by the Board and all officers and Employees of the Company at all times, unless the same is modified or changed by a resolution at a general meeting of the Shareholders and passed by a majority, including the vote of the Investors voting in favor of such resolution:</p> <ul style="list-style-type: none"> (a) The Business of the Company will be carried on in accordance with the policies laid down by the Board and any funds invested by the Investors shall be utilized only for the purposes of the Business of the Company in its ordinary course, including as listed out in the Business Plan from time to time; (b) The Company shall maintain adequate insurance that is generally available at reasonable rates against all significant insurable risks, including moveable and immovable assets at their replacement or reinstatement values; (c) The Company shall ensure that the Directors disclose to the Board in writing any conflict of interest, or direct or indirect personal benefit in any contracts that the Company enters into with third parties and that they operate in the best interests of the Company and safeguard its assets at all times; (d) The Company shall have in its own name at all times, all licenses, registrations, permits and consents necessary to own and operate its assets and to carry on the Business; and (e) The Founders, the Investors and the Directors nominated by them will not divulge or communicate to any person other than their management, any Confidential Information without the specific approval of the Board except to such extent as may be required to comply with any applicable law, order, regulation or ruling.
(iii)		<p>The Company shall furnish to the Investors (as long as such Investor owns at least 5% of the share capital of the Company on a Fully Diluted Basis) and/or their assignees/nominees the following:</p> <ul style="list-style-type: none"> (a) audited annual financial statements, no later than 60 days following the close of each fiscal year; (b) unaudited quarterly financial statements, no later than 10 days following the close of every quarter; (c) monthly financial statements no later than 7 days following the close of such period;

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		<p>(d) each financial statement to be accompanied by a descriptive narrative of the results including a comparison between the actual, projected and comparable figures for the prior period,</p> <p>(e) an annual business plan to be approved by the Board containing an operating plan with a monthly forecast of results and a narrative explanation at least 15 days prior to the commencement of the subsequent fiscal year);</p> <p>(f) Annual Business Plan (including an income statement, a statement of cash flow, a balance sheet and detailed breakdown of working capital and head count), no later than thirty (30) days prior to the beginning of the fiscal year;</p> <p>(g) a monthly progress report (within two weeks of the end of the previous month), on utilization of funds invested by the Investors in the Company under the provisions of this Part B of the Articles, until such time such funds are fully utilized or the Investors issue a certificate stating that the same is not required any further, whichever is earlier;</p> <p>(h) all material communication (written or otherwise) submitted to the Company by its auditors or any governmental agency; and</p> <p>(i) all other information reasonably requested by an Investor or an Investor Director from time to time.</p>
(iv)		<p>The Company shall:</p> <p>(a) introduce a management information system in consultation with and to the satisfaction of the Investors;</p> <p>(b) provide the Founders and the Investors at regular intervals, management reports and all necessary information as they may request; and</p> <p>(c) provide quarterly operation budget for the Company to the Board one month prior to the beginning of each quarter to which the budget relates, for approval.</p>
Covenants of the Company and the Promoters		
12.(i)	Covenants with respect to the Liquidation Preference	The Company and the Promoters shall take all steps necessary to ensure that the Investors shall be entitled to benefits of the Liquidation Preference available to the Investors, as per the Terms and Conditions, and these Articles. Neither the Company nor any of the Promoters or their Affiliates shall raise a contention that the Liquidation Preference under the Terms and Conditions are illegal and unenforceable. The Promoters agree and undertake that they shall honour the Liquidation Preference of the Investors in distributing the assets and/or proceeds on the occurrence of a Liquidation Event in any manner including where legally permissible, re-distribution of assets or proceeds that may be received by the Promoters on a Liquidation Event, to the Investors.
(ii)	Covenants of the Promoters in respect of re-constitution of the various Committees of the Board	The Promoters shall take all steps necessary to constitute or reconstitute the various Committees of the Board of the Company, as the case may be, including but not restricted to the Audit committee and the Compensation Committee, in accordance with the composition indicated in Article 9.9(g) of the Articles.
(iii)	Covenants on Company's Business	Unless otherwise agreed by the Investors, the Company shall not engage in the business of investing, trading, and reinvesting in securities.
BUSINESS PLAN		
13.(i)	Preparation of Business Plan	The Founders acknowledge that the Business of the Company will be conducted in accordance with a Business Plan for each financial year.
(ii)	Approval of Business Plan	The Business Plan shall be approved by the Board in accordance with Article 9.12. The Business Plan may be amended only by a resolution of the Board of the

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		Company passed in accordance with Article 9.12.
(iii)	Variances to Business Plan	Any proposed variance to the Business Plan to the extent of more than 15% shall be brought to the immediate attention of the Board along with reasons for such variance and shall not be implemented without the prior consent of the Investors and the Founder.
FINANCIAL ACCOUNTING AND AUDITS		
14.(i)	Financial and accounting records	The Company shall maintain true and accurate financial and accounting records of all operations in accordance with Indian GAAP, and in accordance with all relevant Indian statutory and accounting standards and the policies from time to time adopted by the Board. The financial statements and accounts of the Company shall be prepared in English and shall be audited on an annual basis.
(ii)	Statutory Auditors	The Company shall appoint a chartered accountancy firm registered in India and affiliated to one of the big four as the statutory auditors for its audit that is satisfactory to Investors.
(iii)	Covenants of the Company	The Company hereby covenants promptly to provide such information (including annual audited accounts, annual budgets and monthly management reports) and assistance as may be reasonably requested by the Audit Committee in connection with the exercise of its functions. The Company shall present the Audit Committee's report before the Board within a period of 7 days of the finalization of such report and the Board shall take note of the recommendations/observations of such report and the same shall be recorded in the minute's book of the Company. The Company covenants that it shall undertake to implement the recommendations/observations of the Audit Committee as may be approved by the Board.
DEVOTION OF TIME		
15.		The Founders shall devote substantially all of their working time, energy and efforts to the activities of the Company and the promotion of the Business. The terms of employment and obligations to devote time and effort by the Founders are contained in their Employment Agreement with the Company. Provided that the Founders may accept appointment as directors in other companies where they have a financial interest in those companies by way of ownership of any shares or otherwise, only with the prior consent of the Board including the consent of the Investor Directors. However, no such consent shall be required for Dr. Lal to continue in his position as director in the companies listed in Schedule F or for the Founders in any education institution or in a company where they have no financial interest.
RIGHT OF INSPECTION AND INFORMATION RIGHTS		
16.		Each Investor shall, at all times, by giving a notice of at least three (3) days, be entitled to carry out inspection of site, stores, accounts, documents, records, premises, and equipment and all other property of the Company during normal working hours through their authorized representatives and/or agents subject to execution of confidentiality and non disclosure agreements with the Company or such Investor at their own cost and the Company shall use reasonable efforts to provide such information, data, documents, evidence as may be required for the purpose of and in the course of such inspection in connection therewith. Each Investor shall be entitled, at their own cost and expense, to consult with the statutory auditors of the Company regarding the financial affairs of the Company. It shall be the responsibility of the CEO to ensure that the obligations under this Article are given full effect. The provisions of this Article 17 shall terminate on the first to occur of an IPO or in relation to an Investor, if the shareholding of such Investor falls below 5% on a Fully Diluted Basis.
RELATED PARTY TRANSACTIONS		
18.		The Company and the Founders hereby undertake that any transactions with related parties shall be conducted at commercially justifiable terms and at an arms length basis.

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INTELLECTUAL PROPERTY RIGHTS		
19.(i)		All the IP Rights arising out of the performance by the Company of its Business and the inputs of the Founders in the course of their association with the Company, shall be owned by the Company and all Parties will assist the Company in securing such IP Rights as the Company may own by filing for appropriate protection under applicable Laws or separate written agreement in the name of the Company. No Party to the Agreement will act in any manner derogatory to the proprietary rights of the Company over such IP Rights. The Founders and Company agree, confirm and undertake that all IP Rights prior to or after execution of the Agreement, or IP Rights arising from development of solutions, projects executed, databases, copyrights, trademarks, brand name, and other IP Rights, where ever registered, are registered exclusively in the name of the Company.
(ii)		Notwithstanding anything contained in Article 20.1, all registered patents, trademarks, designs and copyrights along with all applications for registration of patents, trademarks, designs and copyrights filed by the Founders prior to the execution of the Agreement as listed out in Schedule A of the Agreement, and independent and unrelated to the Business shall remain the exclusive intellectual property of such party.
TERMS AND CONDITIONS		
20.(i)	Rank of CCPS	<p>The CCPS shall rank senior to all classes of Shares currently existing or established hereafter, with respect to (a) dividend distributions and (b) repayment of capital upon a Liquidation Event with respect to the Company.</p> <p>The specific rights attached to the CCPS with regard to dividends, conversion and the return of investment to the CCPS holder on the occurrence of a Liquidation Event are as stated herein.</p>
(ii)	Dividends	<p>The CCPS shall carry a fixed rate of dividend of 0.01%. Dividends due and payable on any other Shares of the Company will be subordinate to any dividend payable on the CCPS if, as and when declared by the Board of Directors.</p> <p>In addition, CCPS shall fully participate with the Equity Shares in all dividends declared by the Company such that the effective dividend paid on each CCPS calculated on a Fully Diluted Basis i.e. on an as if converted basis, is identically the same as the dividend declared by the Company on each Equity Share(s).</p>
(iii)	Conversion into ordinary shares	<p>(a) <u>Mandatory Conversion</u>. The CCPS shall be mandatorily converted into Equity Shares, in connection with the IPO, 1 (one) day prior to the filing of the Red Herring Prospectus with the Securities and Exchange Board of India for its final confirmation, in accordance with applicable laws. Provided that if any Equity Shares arising from conversion of CCPS are proposed to be offered as part of offer for sale in the IPO, such CCPS (with respect to which the underlying Equity Shares are proposed to be offered as a part of the offer for sale) shall be mandatorily converted into Equity Shares 1 (one) day prior to the filing of the Draft Red Herring Prospectus with the Securities and Exchange Board of India, in accordance with applicable laws and the remaining CCPS shall be converted as aforesaid, in connection with the IPO, 1 (one) day prior to the filing of the Red Herring Prospectus with the Securities and Exchange Board of India for its final confirmation, in accordance with applicable laws.</p> <p>(b) <u>Early Voluntary Conversion at the Option of the CCPS holder</u>. The holder of CCPS shall have an option to require the Company to convert all or part of the CCPS held by the CCPS holder at any time prior to Mandatory Conversion for any reason. It is clarified that such conversion may be done even after the occurrence of a Liquidation Event and before the distribution of proceeds.</p> <p>(c) <u>Terms of Conversion</u>. The conversion ratio i.e. the number of Equity Shares into which each CCPS would be converted, shall be such ratio as would if all CCPS held by all the holders of CCPS were converted, the aggregate would</p>

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	<p>yield a total number of Equity Shares equal to 32.06% of the issued and paid up equity share capital of the Company on a Fully Diluted Basis (as of the Closing Date) and duly adjusted for the bonus Shares issued against such Shares comprised in the said issued and paid up equity share capital of the Company.</p> <p>(d) <u>Mandatory Conversion</u>. The CCPS shall be mandatorily converted into Equity Shares, in connection with the IPO, 1 (one) day prior to the filing of the Red Herring Prospectus with the Securities and Exchange Board of India for its final confirmation, in accordance with applicable laws. Provided that if any Equity Shares arising from conversion of CCPS are proposed to be offered as part of offer for sale in the IPO, such CCPS (with respect to which the underlying Equity Shares are proposed to be offered as a part of the offer for sale) shall be mandatorily converted into Equity Shares 1 (one) day prior to the filing of the Draft Red Herring Prospectus with the Securities and Exchange Board of India, in accordance with applicable laws and the remaining CCPS shall be converted as aforesaid, in connection with the IPO, 1 (one) day prior to the filing of the Red Herring Prospectus with the Securities and Exchange Board of India for its final confirmation, in accordance with applicable laws.</p> <p>(e) <u>Early Voluntary Conversion at the Option of the CCPS holder</u>. The holder of CCPS shall have an option to require the Company to convert all or part of the CCPS held by the CCPS holder at any time prior to Mandatory Conversion for any reason. It is clarified that such conversion may be done even after the occurrence of a Liquidation Event and before the distribution of proceeds.</p> <p>(f) <u>Terms of Conversion</u>. The conversion ratio i.e. the number of Equity Shares into which each CCPS would be converted, shall be such ratio as would if all CCPS held by all the holders of CCPS were converted, the aggregate would yield a total number of Equity Shares equal to 32.06% of the issued and paid up equity share capital of the Company on a Fully Diluted Basis (as of the Closing Date) and duly adjusted for the bonus Shares issued against such Shares comprised in the said issued and paid up equity share capital of the Company.</p> <p>(g) <u>Manner of Conversion</u>.</p> <ul style="list-style-type: none"> Any conversion pursuant to this Article 21.3 shall occur within 15 days of a written request from the CCPS holder in this regard. Upon the occurrence of such conversion, the Company shall provide written notice to the CCPS holder. The Company shall promptly issue and deliver to the CCPS holder, a certificate or certificates for the number of Equity Shares into which the CCPS have been converted. The CCPS holder shall simultaneously return all certificates evidencing converted CCPS to the Company, which shall be deemed to have been retired and cancelled. The Company and the Founders shall take all actions required or permitted under applicable Law to implement such conversion of the CCPS, including without limitation filing all necessary applications with any Governmental Authority along with all required supporting documents to effect the conversion into Equity Shares in accordance with the terms and in the manner provided in Article 20.3(iii) above. The Company will any and all stamp duty or similar costs and expenses that may be payable in respect of any issue or delivery of Equity Shares to the CCPS holder on conversion of any of the holder's CCPS pursuant to these CCPS Term. As promptly as practicable, and in any event within ten Business Days after the conversion the Company shall deliver or cause to be delivered certificates (which shall bear legends, if appropriate) registered in the name of the CCPS holder representing the number of

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		validly issued, fully paid up Equity Shares to which the CCPS holder shall be entitled on the conversion.
(iv)	Liquidation Preference	<p>(a) Upon the occurrence of a Liquidation Event, subject to applicable Law, the CCPS holder shall, unless the CCPS holder elects to convert the CCPS into Equity Shares, be entitled to receive the Liquidation Preference Price, from the assets, cash and/or property of the Company and/or cash or other consideration payable on the occurrence of the Liquidation Event, as the case may be, prior and in preference to payment of any dividend or distribution of any of the assets or surplus funds of the Company to the holders of any Equity Shares or other similar securities of the Company by reason of their ownership thereof. It is further clarified that a CCPS holder shall not be entitled to receive the Liquidation Preference Price on the occurrence of a Liquidation Event, if such CCPS holder chooses to convert the CCPS into Equity Shares on the occurrence of such an event.</p> <p>(b) Any surplus funds available for distribution to the Shareholders after payment of the Liquidation Preference Price to the CCPS holders, shall be distributed among all the Shareholders (including the CCPS holders) pro-rata to their respective shareholding percentages in the Company on a Fully Diluted Basis.</p> <p>(c) The Liquidation Preference attached to the CCPS shall terminate on the conversion of the CCPS into Equity Shares in accordance with these terms and conditions.</p>

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus), which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered Office and our Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Material Contracts to the Offer

1. Offer Agreement among our Company, the Selling Shareholders and the BRLMs dated September 12, 2015.
2. Registrar Agreement among our Company, the Selling Shareholders and Registrar to the Offer dated September 11, 2015.
3. Escrow Agreement dated [●] among our Company, the Selling Shareholders, the BRLMs, the Escrow Collection Banks, the Registrar to the Offer and the Syndicate Members.
4. Syndicate Agreement dated [●] among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.
5. Underwriting Agreement dated [●] among our Company, the Selling Shareholders, the BRLMs, the Registrar and the Syndicate Members.
6. Agreement dated September 9, 2015, among NSDL, our Company and the Registrar to the Offer.
7. Agreement dated September 2, 2015, among CDSL, our Company and the Registrar to the Offer.

Material Documents

1. Our Memorandum and Articles of Association, as amended from time to time.
2. Our certificate of incorporation dated February 14, 1995 and certificate of incorporation dated August 19, 2015 consequent to conversion of our Company to a public limited company.
3. Resolutions of the Board of Directors dated August 21, 2015 and August 28, 2015, appointing and/ or reappointing our Directors and noting the Key Managerial Personnel post conversion of our Company to a public limited company.
4. Resolution of the Board of Directors dated August 21, 2015, authorising the Offer.
5. Resolution of the Shareholders dated August 24, 2015, under section 62(1)(c) of the Companies Act, 2013 authorising the Offer.
6. Resolutions of the Board dated September 11, 2015, taking on record the Offer for Sale and the IPO Committee dated September 12, 2015, approving this Draft Red Herring Prospectus.
7. Consent letter of (Hony.) Brig. Dr. Arvind Lal dated September 11, 2015, for participation in the Offer for Sale.
8. Consent letter of Dr. Vandana Lal dated September 11, 2015, for participation in the Offer for Sale.

9. Consent letter of Eskay House (HUF) dated September 11, 2015, for participation in the Offer for Sale.
10. Consent letter of Mr. Anjaneya Lal dated September 11, 2015, for participation in the Offer for Sale.
11. Resolution of the board of directors of Wagner dated August 31, 2015 approving its participation in the Offer for Sale.
12. Resolution of the board of directors of WCF dated August 21, 2015 approving its participation in the Offer for Sale.
13. Resolution of the board of directors of SIH dated August 21, 2015 approving its participation in the Offer for Sale.
14. Copies of annual reports of our Company for Fiscal Years 2011, 2012, 2013, 2014 and 2015.
15. Copy of the schemes for ESOP 2010 and ESPS 2015.
16. Examination reports of the Auditors, M/s S.R. Batliboi & Co. LLP, Chartered Accountants, dated August 28, 2015 on the restated unconsolidated and restated consolidated financial statements included in this Draft Red Herring Prospectus.
17. Statement of tax benefits from M/s S.R. Batliboi & Co. LLP, Chartered Accountants dated August 28, 2015.
18. Industry report titled "*Assessment of Diagnostics Industry in India*", prepared by CRISIL Research.
19. Written consent of the Auditors, S.R. Batliboi & Co. LLP, Chartered Accountants, to include their name as required 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 respect of the reports of the Auditors on our restated consolidated financial statements and restated unconsolidated financial statements, each dated August 28, 2015 and the statement of tax benefits dated August 28, 2015 included in this Draft Red Herring Prospectus, but not construing to be "experts" as defined under the Securities Act."
20. Consents of Bankers to our Company, BRLMs, Syndicate Members, Registrar to the Offer, Escrow Collection Bank(s), Directors of our Company, Company Secretary and Compliance Officer, CRISIL, Nangia & Co., Chartered Accountants, legal counsels, as referred to, in their respective capacities.
21. In-principle listing approvals dated [●] and [●] received from the NSE and the BSE, respectively.
22. Due diligence certificate dated September 12, 2015 to SEBI from the BRLMs.
23. SEBI observation letter [●] and our in-seriatim reply to the same dated [●].
24. Share purchase agreement dated August 14, 2008 with Paliwal Medicare Private Limited and Dr. Umesh Paliwal, Ms. Mridula Paliwal, Ms. Asha Paliwal and Mr. Krishan Kumar Paliwal.
25. Share purchase agreement dated August 14, 2008 with Paliwal Diagnostics Private Limited and Dr. Umesh Paliwal, Ms. Mridula Paliwal and Ms. Asha Paliwal.
26. Share purchase agreement dated February 27, 2014 with APL Institute of Clinical Laboratory & Research Private Limited and Dr. Bhaskar Rai Uttam Ram Vyas, Dr. Kalpana Bhaskar Vyas and Ms. Gargi Ramesh Bhai Ladia.
27. Scheme of amalgamation between Sanya Chemicals Private Limited, Amolak Diagnostics Private Limited, Medex Healthcare Private Limited, Medicave Diagnostic Centre Private Limited, Medicave Medical Systems Private Limited and our Company.

28. Share purchase agreement dated May 13, 2005 between (Hony.) Brig. Dr. Arvind Lal, Dr. Vandana Lal, Company and WestBridge Ventures I Investments Holdings.
29. Subscription cum shareholders agreement dated October 15, 2007 between our Promoters, Company, Dr. Archana Lal, Mr. Anjaneya Lal and WestBridge Ventures I Investments Holdings.
30. Share purchase agreement dated August 20, 2010 between our Company, WestBridge Ventures I Investments Holdings and Wagner Limited.
31. Share purchase agreement dated January 31, 2013 between our Company, WestBridge Ventures I Investments Holdings and Wagner Limited.
32. Share purchase agreement dated January 31, 2013 between our Company, WestBridge Ventures I Investments Holdings and WestBridge Crossover Fund, LLC.
33. Share purchase agreement dated July 18, 2013 between our Company, WestBridge Ventures I Investments Holdings and WestBridge Crossover Fund, LLC.
34. Share purchase agreement dated September 27, 2013 between our Company, WestBridge Ventures I Investments Holdings and SIH Investment Holdings.
35. Amended and restated shareholders' agreement dated August 20, 2010 between our Promoters, Company, Dr. Archana Lal, Mr. Anjaneya Lal and WestBridge Ventures I Investments Holdings, along with deed of assignment dated January 31, 2013, deed of assignment dated July 18, 2013, deed of adherence dated September 27, 2013 and amendment agreement dated August 5, 2015.

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 other parties, without notification to the shareholders, subject to compliance with the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

1. DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the rules/guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, 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, 1956, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

(Hony.) Brig. Dr. Arvind Lal <i>Chairman and Managing Director</i>	Dr. Vandana Lal <i>Executive Director</i>
Dr. Om Prakash Manchanda <i>Whole-time Director and Chief Executive Officer</i>	Mr. Rahul Sharma <i>Non-executive Director</i>
Mr. Naveen Wadhera <i>Nominee Director</i>	Mr. Sandeep Singhal <i>Nominee Director</i>
Mr. Arun Duggal <i>Independent Director</i>	Mr. Anoop Mahendra Singh <i>Independent Director</i>
Mr. Sunil Varma <i>Independent Director</i>	Mr. Harneet Singh Chandhoke <i>Independent Director</i>
Mr. Saurabh Srivastava <i>Independent Director</i>	Dr. Murugan Rajaram Pandian <i>Independent Director</i>

Date:

Place:

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Mr. Dilip Bidani

Date:

Place:

2. DECLARATION BY WAGNER LIMITED, AS A SELLING SHAREHOLDER

Wagner Limited confirms that all statements and undertakings made or confirmed by it in this Draft Red Herring Prospectus specifically in relation to itself, as a selling shareholder and the Equity Shares which are being offered by it by way of the Offer for Sale pursuant to the Offer, are true and correct. Wagner Limited assumes no responsibility for any other statements including statements made by the Company or any other person(s) in this Draft Red Herring Prospectus.

SIGNED FOR AND ON BEHALF OF WAGNER LIMITED

Name:

Designation:

Date:

3. DECLARATION BY WESTBRIDGE CROSSOVER FUND, LLC, AS A SELLING SHAREHOLDER

WestBridge Crossover Fund, LLC confirms that all statements and undertakings made or confirmed by it in this Draft Red Herring Prospectus specifically in relation to itself, as a selling shareholder and the Equity Shares which are being offered by it by way of the Offer for Sale pursuant to the Offer, are true and correct. WestBridge Crossover Fund, LLC assumes no responsibility for any other statements including statements made by the Company or any other person(s) in this Draft Red Herring Prospectus.

SIGNED FOR AND ON BEHALF OF WESTBRIDGE CROSSOVER FUND, LLC

Name:

Designation:

Date:

4. DECLARATION BY SANJEEVINI INVESTMENT HOLDINGS, AS A SELLING SHAREHOLDER

Sanjeevini Investment Holdings confirms that all statements and undertakings made or confirmed by it in this Draft Red Herring Prospectus specifically in relation to itself, as a selling shareholder and the Equity Shares which are being offered by it by way of the Offer for Sale pursuant to the Offer, are true and correct. Sanjeevini Investment Holdings assumes no responsibility for any other statements including statements made by the Company or any other person(s) in this Draft Red Herring Prospectus.

SIGNED FOR AND ON BEHALF OF SANJEEVINI INVESTMENT HOLDINGS

Name:

Designation:

Date:

5. DECLARATION BY (HONY.) BRIG. DR. ARVIND LAL, AS A SELLING SHAREHOLDER

I confirm that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus specifically in relation to myself, as a selling shareholder, and the Equity Shares which are being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I, as a selling shareholder, assume no responsibility for any other statements including statements made by the Company or any other person(s) in this Draft Red Herring Prospectus.

SIGNED

Name: (Hony.) Brig. Dr. Arvind Lal

Date:

6. DECLARATION BY DR. VANDANA LAL, AS A SELLING SHAREHOLDER

I confirm that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus specifically in relation to myself, as a selling shareholder, and the Equity Shares which are being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I, as a selling shareholder, assume no responsibility for any other statements including statements made by the Company or any other person(s) in this Draft Red Herring Prospectus.

SIGNED

Name: Dr. Vandana Lal

Date:

7. DECLARATION BY ESKAY HOUSE (HUF), AS A SELLING SHAREHOLDER

Eskay House (HUF) confirms that all statements and undertakings made or confirmed by it in this Draft Red Herring Prospectus specifically in relation to itself, as a selling shareholder, and the Equity Shares which are being offered by it by way of the Offer for Sale pursuant to the Offer, are true and correct. Eskay House (HUF), as a selling shareholder, assumes no responsibility for any other statements including statements made by the Company or any other person(s) in this Draft Red Herring Prospectus.

SIGNED

Name: (Hony.) Brig. Dr. Arvind Lal, Karta

Date:

8. DECLARATION BY MR. ANJANEYA LAL, AS A SELLING SHAREHOLDER

I confirm that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus specifically in relation to myself, as a selling shareholder, and the Equity Shares which are being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I, as a selling shareholder, assume no responsibility for any other statements including statements made by the Company or any other person(s) in this Draft Red Herring Prospectus.

SIGNED

Name:

Date: