






(Please scan this QR Code to view the DRHP)



## KIDS CLINIC INDIA LIMITED

**CORPORATE IDENTITY NUMBER: U85110KA2005PLC037953**

REGISTERED OFFICE		CORPORATE OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE		
No. 1533 9th Main Jayanagar 3rd block, Bengaluru 560 011, Karnataka, India		Indique Sigma, No.3/B Koramangala Industrial Layout, 3rd Block Koramangala, Bengaluru 560 034, Karnataka, India	Madhusudhan P Company Secretary and Compliance Officer	Tel: +91 80 6673 2263  Email: cs@cloudninecare.com	www.cloudninecare.com		
OUR COMPANY DOES NOT HAVE ANY IDENTIFIABLE PROMOTER							
DETAILS OF THE OFFER							
TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND RESERVATION			
Fresh Issue and an Offer for Sale	Fresh issue of up to [●] Equity Shares aggregating up to ₹ 3,000.00 million	Offer for sale of up to 13,293,514 Equity Shares aggregating up to ₹ [●] million	₹[●] million	The Offer is being made pursuant to Regulation 6(2) of the SEBI ICDR Regulations, as the Company did not fulfil the requirement under Regulation 6(1)(b) of having operating profit in each of the preceding three Financial Years.			
				SHARE RESERVATIONS AMONGST QIBs, NIBs AND RIBs, AND EMPLOYEES			
				QIBs	NIBs	RIBs	Employees
				At least 75.00% of the Net Offer (of which up to 60.00% of the shall be available for allocation to Anchor Investors)	Not more than 15.00% of the Net Offer	Not more than 10.00% of the Net Offer	Up to [●] Equity Shares, aggregating up to ₹[●] million
OFFER FOR SALE							
NAME OF SELLING SHAREHOLDER		TYPE	NUMBER OF EQUITY SHARES OFFERED/ AMOUNT (₹ IN MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹)			
TRUE NORTH FUND V LLP		Other Selling Shareholder	Up to 5,763,392 Equity Shares	287.97			
SCI GROWTH INVESTMENTS II		Other Selling Shareholder	Up to 3,506,408 Equity Shares	168.93			
INDIUM V (MAURITIUS) HOLDINGS LIMITED		Other Selling Shareholder	Up to 2,171,270 Equity Shares	287.85			
Dr. R KISHORE KUMAR		Other Selling Shareholder	Up to 924,444 Equity Shares	5.74			
SCRIPS 'N' SCROLL INDIA PRIVATE LIMITED		Other Selling Shareholder	Up to 928,000 Equity Shares	4.98			
RISKS IN RELATION TO THE FIRST OFFER							
The face value of the Equity Shares is ₹ 5.00 per Equity Share. The Floor Price, the Cap Price and the Offer Price (as determined by our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the BRLMs), on the basis of the assessment of market demand for the Equity Shares by way of the book building process, as stated in “Basis for Offer Price” on page 113, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.							
GENERAL RISK							
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in 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 our Company and the 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 “Risk Factors” on page 27.							
ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY							
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for only such statements specifically confirmed or specifically undertaken by such Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements specifically pertain to itself and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, none of the Selling Shareholders assume any responsibility for any other statements, disclosures or undertakings, including without limitation, any and all of the statements, disclosures or undertakings made by or in relation to our Company, its business, or the other Selling Shareholders, in this Draft Red Herring Prospectus.							
LISTING							
The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE and NSE. For the purposes of the Offer, [●] is the Designated Stock Exchange.							
BOOK RUNNING LEAD MANAGERS							
Name of Book Running Lead Manager and logo		Contact Person		Email and Telephone			
 JM Financial Limited		Prachee Dhuri		Tel.: +91 22 6630 3030 E-mail: kcil.ipo@jmfll.com			
 Axis Capital Limited		Ankit Bhatia		Tel: +91 22 4325 2183 E-mail: kcil.ipo@axiscap.in			
 ICICI Securities Limited		Gaurav Mittal		Tel: +91 22 6807 7100 E-mail: kcil.ipo@icicisecurities.com			
REGISTRAR TO THE OFFER							
Name of Registrar		Contact Person		Email and Telephone			
KFin Technologies Private Limited <sup>#</sup> <sup>#Formerly known as Karvy Fintech Private Limited</sup>		M. Murali Krishna		Tel: + 91 40 6716 2222 E-mail: kcil.ipo@kfintech.com			
BID/OFFER PERIOD							
ANCHOR INVESTOR BID/OFFER PERIOD	[●]*	BID/OFFER OPENS ON	[●]	BID/OFFER CLOSES ON	[●]**		

\* Our Company, acting through the IPO Committee and the Selling Shareholders may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

\*\* Our Company, acting through the IPO Committee and the Selling Shareholders may, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.



## KIDS CLINIC INDIA LIMITED

Our Company was incorporated on December 15, 2005 as a private limited company under the Companies Act, 1956, with the name “Kids Clinic Bangalore Private Limited”, pursuant to a certificate of incorporation granted by the Registrar of Companies, Karnataka at Bengaluru (“RoC”). Thereafter, the name of our Company was changed to “Kids Clinic India Private Limited” pursuant to our board resolution dated May 20, 2011, a special resolution passed by our Shareholders dated June 22, 2011, and a fresh certificate of incorporation was issued by the RoC on September 16, 2011. Pursuant to the conversion of our Company to a public limited company, pursuant to a board resolution dated November 16, 2021, and a special resolution passed by our Shareholders dated November 26, 2021, the name of our Company was changed to “Kids Clinic India Limited” and the RoC issued a fresh certificate of incorporation on December 13, 2021. For details of the change in the name and the registered office of our Company, see “History and Certain Corporate Matters” on page 189.

**Corporate Identity Number:** U85110KA2005PLC037953

**Registered Office:** No. 1533 9th Main Jayanagar 3rd block, Bengaluru 560 011, Karnataka, India; **Tel:** +91 80 6673 2263; **Corporate Office:** Indique Sigma, No.3/B Koramangala Industrial Layout, 3<sup>rd</sup> Block Koramangala, Bengaluru 560 034, Karnataka, India. **Tel:** +91 80 4646 1236

**Contact Person:** Madhusudhan P (Company Secretary and Compliance Officer) **Tel:** +91 80 4646 1236;

**E-mail:** cs@cloudnincare.com; **Website:** www.cloudnincare.com

### OUR COMPANY DOES NOT HAVE ANY IDENTIFIABLE PROMOTER

INITIAL PUBLIC OFFERING OF UP TO  $[-]$  EQUITY SHARES OF FACE VALUE OF ₹5.00 EACH (“EQUITY SHARES”) OF KIDS CLINIC INDIA LIMITED (OUR “COMPANY” OR THE “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”) COMPRISING A FRESH ISSUE OF UP TO  $[-]$  EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 3,000.00 MILLION (THE “FRESH ISSUE”) AND AN OFFER FOR SALE OF UP TO 13,293,514 EQUITY SHARES AGGREGATING UP TO ₹ $[-]$  MILLION COMPRISING AN OFFER FOR SALE OF UP TO 924,444 EQUITY SHARES AGGREGATING UP TO ₹ $[-]$  MILLION BY DR. R KISHORE KUMAR, UP TO 928,000 EQUITY SHARES AGGREGATING UP TO ₹ $[-]$  MILLION BY SCRIPS ‘N’ SCROLLS INDIA PRIVATE LIMITED (TOGETHER WITH DR. R. KISHORE KUMAR REFERRED TO AS THE “FOUNDER SELLING SHAREHOLDERS”), AND UP TO 5,763,392 EQUITY SHARES AGGREGATING UP TO ₹ $[-]$  MILLION BY TRUE NORTH FUND V LLP, UP TO 2,171,270 EQUITY SHARES AGGREGATING UP TO ₹ $[-]$  MILLION BY INDIUM V (MAURITIUS) HOLDINGS LIMITED AND UP TO 3,506,408 EQUITY SHARES AGGREGATING UP TO ₹ $[-]$  MILLION BY SCI GROWTH INVESTMENTS II (TOGETHER WITH TRUE NORTH FUND V LLP AND SCI GROWTH INVESTMENTS II REFERRED TO AS THE “INVESTOR SELLING SHAREHOLDERS”, AND COLLECTIVELY TOGETHER WITH THE FOUNDER SELLING SHAREHOLDERS REFERRED TO AS THE “SELLING SHAREHOLDERS”, AND EACH INDIVIDUALLY, AS A “SELLING SHAREHOLDER” AND SUCH OFFER FOR SALE OF EQUITY SHARES BY THE SELLING SHAREHOLDERS, THE “OFFER FOR SALE”). THE OFFER INCLUDES A RESERVATION OF UP TO  $[-]$  EQUITY SHARES, AGGREGATING UP TO ₹ $[-]$  MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES NOT EXCEEDING 5.00% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL (THE “EMPLOYEE RESERVATION PORTION”). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE “NET OFFER”. THE OFFER AND THE NET OFFER SHALL CONSTITUTE  $[+]$ % AND  $[+]$ %, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE COMPANY, ACTING THROUGH THE IPO COMMITTEE, AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY OFFER A DISCOUNT OF UP TO ₹ $[-]$  OF THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION (“EMPLOYEE DISCOUNT”).

OUR COMPANY MAY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, CONSIDER ISSUING SUCH NUMBER OF EQUITY SHARES ON A PRIVATE PLACEMENT BASIS FOR CASH CONSIDERATION AGGREGATING UP TO ₹ 600.00 MILLION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC (THE “PRE-IPO PLACEMENT”), THE PRICE OF THE EQUITY SHARES ALLOTTED PURSUANT TO THE PRE-IPO PLACEMENT SHALL BE DETERMINED BY OUR COMPANY AND SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS (“BRLMS”). IF THE PRE-IPO PLACEMENT IS COMPLETED, THE AMOUNT RAISED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(b) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED (THE “SCRR”).

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, ACTING THROUGH THE IPO COMMITTEE, AND SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN  $[-]$  EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER,  $[-]$ ,  $[-]$  EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER,  $[-]$  AND  $[-]$  EDITIONS OF THE  $[-]$  NEWSPAPER  $[-]$  (WIDELY CIRCULATED KANNADA NEWSPAPER, KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE THE REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO BSE LIMITED (THE “BSE”) AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE “NSE”, AND TOGETHER WITH THE BSE, THE “STOCK EXCHANGES”) FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

### THE FACE VALUE OF THE EQUITY SHARES IS ₹ 5 EACH AND THE OFFER PRICE IS $[-]$ TIMES THE FACE VALUE OF THE EQUITY SHARES

In case of a revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after such revision of the Price Band subject to the Bid/Offer Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the 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 the Designated Intermediaries and the Sponsor Banks as required under the SEBI ICDR Regulations.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 31 of the SEBI ICDR Regulations. This Offer is being made through the Book Building Process and in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein at least 75.00% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”, the “QIB Portion”), provided that our Company, acting through the IPO Committee, and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis (the “Anchor Investor Portion”), out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5.00% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. If at least 75.00% of the Net Offer cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, not more than 15.00% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10.00% of the Net Offer shall be available for allocation to Retail Individual Bidders (“RIBs”) in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount (“ASBA”) process, providing details of their respective bank accounts (including UPI ID (defined hereinafter) in case of RIBs) in which the Bid Amount will be blocked by the SCSBs, to participate in the Offer. Anchor Investors are not permitted to participate in the Offer through the ASBA process. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. For details, see “Offer Procedure” on page 347.

### RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 5.00 per Equity Share. The Floor Price, the Cap Price and the Offer Price (as determined by our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the BRLMs), in accordance with the SEBI ICDR Regulations, and as stated in “Basis for Offer Price” on page 133, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their 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 our Company and the 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 “Risk Factors” on page 27.

### ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for only such statements specifically confirmed or specifically undertaken by such Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements specifically pertain to itself and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, none of the Selling Shareholders assume any responsibility for any other statements, disclosures or undertakings, including without limitation, any and all of the statements, disclosures or undertakings made by or in relation to our Company, its business, or the other Selling Shareholders, in this Draft Red Herring Prospectus.

### LISTING

The Equity Shares to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. We have received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated  $[+]$  and  $[+]$ , respectively. For the purpose of the Offer,  $[+]$  is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see “Material Contracts and Documents for Inspection” on page 381.

### BOOK RUNNING LEAD MANAGERS

### REGISTRAR TO THE OFFER

<b>JM Financial Limited</b> 7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Maharashtra, India <b>Tel:</b> +91 22 6630 3030 <b>E-mail:</b> kcil ipo@jmfml.com <b>Investor grievance e-mail:</b> grievance.ibd@jmfml.com <b>Website:</b> www.jmfml.com <b>Contact person:</b> Prachee Dhuri <b>SEBI Registration No.:</b> INM000010361	<b>Axis Capital Limited</b> 1st floor, Axis House C-2 Wadia International Centre P.B. Marg, Worli Mumbai – 400 025 Maharashtra, India <b>Tel:</b> +91 22 4325 2183 <b>E-mail:</b> kcil.ipo@axiscap.in <b>Investor grievance e-mail:</b> complaints@axiscap.in <b>Website:</b> www.axiscapital.co.in <b>Contact person:</b> Ankit Bhatia <b>SEBI Registration No.:</b> INM000012029	<b>ICICI Securities Limited</b> ICICI Venture House Appasaheb Marathe Marg, Prabhadevi Mumbai – 400 025 Maharashtra, India <b>Tel:</b> +91 22 6807 7100 <b>E-mail:</b> kcil.ipo@icicisecurities.com <b>Investor grievance e-mail:</b> customercare@icicisecurities.com <b>Website:</b> www.icicisecurities.com <b>Contact Person:</b> Gaurav Mittal <b>SEBI Registration No.:</b> INM000011179	<b>KFin Technologies Private Limited<sup>1</sup></b> Selenium, Tower B, Plot No. 31-32 Financial District, Nanakramguda, Hyderabad, Rangareddi – 500 032 Telangana, India <b>Tel:</b> +91 40 6716 2222 <b>E-mail:</b> kcil.ipo@kfintech.com <b>Website:</b> www.kfintech.com <b>Investor Grievance ID:</b> einward.ris@kfintech.com <b>Contact Person:</b> M. Murali Krishna <b>SEBI Registration No.:</b> INR000000221  <i>#Formerly known as Karvy Fintech Private Limited</i>

### BID/OFFER PROGRAMME

<b>BID/OFFER OPENS ON*</b>	<b><math>[-]</math></b>	<b>BID/OFFER CLOSES ON**</b>	<b><math>[-]</math></b>
----------------------------	-------------------------	------------------------------	-------------------------

\* Our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the Book Running Lead Managers may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

\* Our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the Book Running Lead Managers may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

*(This page is intentionally left blank)*

## TABLE OF CONTENTS

<b>SECTION I - GENERAL</b> .....	<b>1</b>
DEFINITIONS AND ABBREVIATIONS .....	1
CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION.....	14
NOTICE TO PROSPECTIVE INVESTORS.....	17
FORWARD-LOOKING STATEMENTS .....	18
SUMMARY OF THE OFFER DOCUMENT .....	20
<b>SECTION II - RISK FACTORS</b> .....	<b>27</b>
<b>SECTION III - INTRODUCTION</b> .....	<b>65</b>
THE OFFER .....	65
SUMMARY FINANCIAL INFORMATION .....	67
GENERAL INFORMATION .....	73
CAPITAL STRUCTURE.....	82
OBJECTS OF THE OFFER.....	97
BASIS FOR OFFER PRICE .....	113
STATEMENT OF SPECIAL TAX BENEFITS.....	116
<b>SECTION IV- ABOUT OUR COMPANY</b> .....	<b>121</b>
INDUSTRY OVERVIEW .....	121
OUR BUSINESS .....	152
KEY REGULATIONS AND POLICIES IN INDIA.....	180
HISTORY AND CERTAIN CORPORATE MATTERS .....	189
OUR MANAGEMENT .....	196
OUR PRINCIPAL SHAREHOLDERS .....	214
GROUP COMPANIES.....	215
DIVIDEND POLICY.....	216
<b>SECTION V FINANCIAL INFORMATION</b> .....	<b>217</b>
FINANCIAL STATEMENTS.....	217
OTHER FINANCIAL INFORMATION .....	270
CAPITALISATION STATEMENT.....	275
FINANCIAL INDEBTEDNESS .....	276
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS .....	279
<b>SECTION VI - LEGAL AND OTHER INFORMATION</b> .....	<b>320</b>
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS .....	320
GOVERNMENT AND OTHER APPROVALS.....	323
OTHER REGULATORY AND STATUTORY DISCLOSURES .....	327
<b>SECTION VII - OFFER RELATED INFORMATION</b> .....	<b>338</b>
TERMS OF THE OFFER.....	338
OFFER STRUCTURE .....	343
OFFER PROCEDURE.....	347
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES .....	366
<b>SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION</b> .....	<b>368</b>
<b>SECTION IX - OTHER INFORMATION</b> .....	<b>381</b>
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION .....	381
DECLARATION .....	384



## SECTION I - GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any statute or rules or guidelines or regulations or policies or the Articles of Association or the Memorandum of Association will include any amendments, clarifications, modifications, replacements or re-enactments thereto, from time to time and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.*

*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.*

*Notwithstanding the foregoing, terms in the sections “Statement of Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies in India”, “Basis for Offer Price”, “History and Certain Corporate Matters”, “Financial Statements”, “Outstanding Litigation and Material Developments”, “Main Provisions of Articles of Association” and “Offer Procedure” on pages 116, 121, 180, 113, 189, 217, 320, 368 and 347, respectively, will have the meaning ascribed to such terms in these respective sections.*

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

#### General Terms

Term	Description
“the Company”, “our Company”, or “the Issuer”	Kids Clinic India Limited, incorporated under the Companies Act, 1956 and having its registered office at No. 1533, 9 <sup>th</sup> Main Jayanagar 3 <sup>rd</sup> block, Bengaluru 560 011, Karnataka, India and its corporate office at Indiqube Sigma, No. 3/B Koramangala Industries Layout, 3 <sup>rd</sup> Block Koramangala, Bengaluru 560 034, Karnataka India
We / Us / Our	Unless the context otherwise requires, our Company together with our Subsidiary.

#### Company related terms

Term	Description
Acquity Labs	Acquity Labs Private Limited
Articles of Association or AoA	The articles of association of our Company, as amended
Audit Committee	The audit committee of our Board, as described in “Our Management” on page 196
“Auditors” or “Statutory Auditors”	The current statutory auditors of our Company, Deloitte Haskins and Sells, Chartered Accountants
“Board” or “Board of Directors”	The board of directors of our Company (including any duly constituted committee thereof). For details, see “Our Management” on page 196
“Chief Digital Officer” and “Chief Marketing Officer”	The chief digital officer and chief marketing officer of our Company, Suresh Padyiyan. For details, see “Our Management” on page 196
“Chief Executive Officer” or “CEO”	The chief executive officer of our Company, Raviganesh Venkataraman. For details, see “Our Management” on page 196
“Chief Financial Officer” or “CFO”	The chief financial officer of our Company, Sandeep Bardia. For details, see “Our Management” on page 196
“Chief Operating Officer (Region West and South)” or “COO West and South”	The chief operating officer (Region West and South) of our Company, Nitin Nag. For details, see “Our Management” on page 196
“Chief Operating Officer (Region West and South)” or “COO North”	The chief operating officer (Region North) of our Company, Dr. Pawan Kumar. For details, see “Our Management” on page 196
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company appointed in relation to the Offer, Madhusudhan P. For details, see “Our Management” on page 196
Corporate Office	Indiqube Sigma, No. 3/B Koramangala Industries Layout, 3 <sup>rd</sup> Block Koramangala, Bengaluru 560 034, Karnataka India
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board constituted in accordance with the Companies Act. For details, see “Our Management” on page 196
CRISIL	CRISIL Limited
CRISIL Report	Report titled “Assessment of the Healthcare Delivery Market in India”, dated December 2021 prepared by CRISIL, which is exclusively prepared for the purpose of the Offer and

Term	Description
	issued by CRISIL and is commissioned and paid for by our Company. CRISIL was appointed on October 26, 2021 pursuant to an engagement letter entered into with our Company. CRISIL Report is available on the website of our Company at <a href="https://www.cloudninecare.com/others/investors">https://www.cloudninecare.com/others/investors</a> , in accordance with applicable law
Director(s)	The director(s) on our Board. For details, see “ <i>Our Management</i> ” on page 196
Director of Medical Services	The Director of Medical Services (India) of our Company is Dr. Arvind Balakrishna Kasaragod. For details, see “ <i>Our Management</i> ” on page 196
Director of Nursing	The Director of Nursing of our Company, Dr. Annu Kaushik. For details, see “ <i>Our Management</i> ” on page 196
Equity Shares	The equity shares of our Company of a face value of ₹ 5 each
ESOP Plan 2013	The Kids Clinic India Limited Employee Stock Option Plan 2013 as described in “ <i>Capital Structure</i> ” on page 82
Founder Selling Shareholders	Together, Dr. R Kishore Kumar and Scrips ‘N’ Scroll India Private Limited
Group Companies	In terms of Regulation 2(1)(t) of the SEBI ICDR Regulations, the term “group companies” includes companies with which there were related party transactions as per Ind AS 24, and any other companies as considered material by the Board, in accordance with the resolution dated February 7, 2022, passed by the Board
Head of Corporate Communication	The Head Corporate Communication of our Company, Namita Narula. For details, see “ <i>Our Management</i> ” on page 196
Head of Human Resource	The Head of Human Resource of our Company, Sofia Joseph. For details, see “ <i>Our Management</i> ” on page 196
Head of Learning and Development	The Head of Learning and Development of our Company is Chitra Puranik Puve. For details, see “ <i>Our Management</i> ” on page 196
Independent Director(s)	Independent director(s) on the Board and eligible to be appointed as independent director(s) under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see “ <i>Our Management</i> ” on page 196
Investor Selling Shareholders	Together, True North Fund V LLP, Indium V (Mauritius) Holdings Limited and SCI Growth Investments II
IPO Committee	A duly constituted committee of the Board in relation to the Offer
Key Managerial Personnel or KMP	The key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, and as described in “ <i>Our Management</i> ” on page 196
Materiality Policy	The policy adopted by the Board on February 7, 2022 for (i) material outstanding litigation; (ii) identification of Group Companies; and (iii) outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Memorandum of Association or MoA	The memorandum of association of our Company, as amended
NewQuest	NewQuest Asia Fund IV (Singapore) Pte. Ltd
Nomination and Remuneration Committee	The nomination and remuneration committee of the Board as described in “ <i>Our Management</i> ” on page 196
Non-executive Director(s)	The non-executive(s) Directors of our Company. For details, see “ <i>Our Management</i> ” on page 196
Registered Office	No. 1533 9th Main Jayanagar 3rd block, Bengaluru Karnataka 560011
Restated Consolidated Financial Information	Restated Consolidated Financial Information of the Company which comprises of the Restated Consolidated Statement of Assets and Liabilities as at the Fiscals ended March 31, 2021, 2020 and 2019, and the six month period ended September 30, 2021 and September 30, 2020, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flows for each of the years ended 2021, 2020 and 2019, and the six month period ended September 30, 2021 and September 30, 2020 and the significant accounting policies and explanatory notes to Restated Consolidated Financial Information of the Company and included in “ <i>Financial Statements</i> ” on page 217
Registrar of Companies or RoC	Registrar of Companies, Karnataka at Bangalore
Selling Shareholders	Together, the Founder Selling Shareholders and the Investor Selling Shareholders
Shareholders	The holders of the Equity Shares from time to time
Stakeholders Relationship Committee	The stakeholders relationship committee of the Board as described in “ <i>Our Management</i> ” on page 196
Subsidiary	The subsidiary of our Company, being Acquity Labs Private Limited, as described under “ <i>History and Certain Corporate Matters - Subsidiary</i> ” on page 195

## Offer related terms

Term	Description
Acknowledgment Slip	The slip or document issued by the respective Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot' or 'Allotment' or 'Allotted'	Unless the context otherwise requires, allotment of Equity Shares pursuant to the Fresh Issue and transfer of Offered Shares pursuant to the Offer for Sale to successful Bidders
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A QIB, who applies under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 100 million
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Managers will not accept any Bids from Anchor investors, and allocation to the Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Offer Price but not higher than the Cap Price  The Anchor Investor Offer Price will be determined by our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the Book Running Lead Managers
Anchor Investor Portion	Up to 60.00% of the QIB Portion which may be allocated by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations.  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 made to Anchor Investors, which price shall be determined by our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the Book Running Lead Managers
Application Supported by Blocked Amount or ASBA	The application (whether physical or electronic) by a Bidder (other than Anchor Investors) to make a Bid authorising the relevant SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by RIIs using the UPI Mechanism where the Bid Amount will be blocked by SCSBs upon acceptance of UPI Mandate Request
ASBA Account	A bank account maintained with an SCSB and specified in the Bid cum Application Form which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by a Bidder (other than a Bid by an Anchor Investor) and will include amounts blocked by SCSB upon acceptance of UPI Mandate Request by RIIs using the UPI Mechanism
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders Bidding through the ASBA process, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis	Axis Capital Limited
Bankers to the Offer	Collectively, the Escrow Bank, the Public Offer Account Bank, the Refund Bank and the Sponsor Bank
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, described in "Offer Procedure" on page 347
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder (other than an Anchor Investor), or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form, to subscribe for or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of Retail Individual Investors Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RII and mentioned in the Bid cum

Term	Description
	Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer
	However, Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-off Price and the Bid Amount shall be Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[•] Equity Shares and in multiples of [•] Equity Shares thereafter
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [•], which shall be published in all editions of [•] (a widely circulated English national daily newspaper), all editions of [•] (a widely circulated Hindi national daily newspaper) and edition of [•] (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka). In case of any revisions, the extended Bid/Offer Closing Date will 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. Our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the Book Running Lead Managers may consider closing the Bid/Offer Period for the QIB Portion one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [•], which shall be published in all editions of [•] (a widely circulated English national daily newspaper), all editions of [•] (a widely circulated Hindi national daily newspaper) and edition of [•] (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka) and in case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the Syndicate Members and also intimated to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations
Bid/Offer Period	Except in relation to Bids received from the Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. 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, acting through the IPO Committee, and the Selling Shareholders, in consultation with the Book Running Lead Managers may consider closing the Bid/Offer Period for the QIB Portion 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, in accordance with the SEBI ICDR Regulations.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the Designated SCSB Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs.
Book Building Process	The book building process as described in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers / BRLMs	The book running lead managers to the Offer, in this case, being JM Financial Limited, Axis Capital Limited and ICICI Securities Limited
Broker Centres	Broker centres of the Registered Brokers where Bidders (other than Anchor Investors) can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the respective websites of the Stock Exchanges
CAN/Confirmation Allocation Note	of Notice or intimation of allocation of the Equity Shares to be sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revisions thereof. Provided that the Cap Price shall be at least 105% of the Floor Price

Term	Description
Cash Escrow and Sponsor Bank Agreement	The agreement to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, Syndicate Members, the Book Running Lead Managers, and the Bankers to the Offer for collection of the Bid Amounts from Anchor Investors transfer of funds to the Public Offer Account and where applicable remitting refunds, if any, to such Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participants or CDPs	A depository participant, as defined under the Depositories Act and registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI UPI Circulars, issued by SEBI
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI UPI Circulars, issued by SEBI
Cut-off Price	The Offer Price, finalised by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, which shall be any price within the Price Band. Only Retail Individual Investors and Eligible Employees Bidding under the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	The details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details and UPI ID, as applicable
Designated CDP Locations	Such centres of the CDPs where Bidders (except Anchor Investors) can submit the ASBA Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the respective websites of the Stock Exchanges and updated from time to time
Designated Date	The date on which the funds from the Escrow Account are transferred to the Public Offer Account or the Refund Account, as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Offer Account and/or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus, after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer
Designated Intermediaries	<p>In relation to ASBA Forms submitted by Retail Individual Investors and the Eligible Employees Bidding in the Employee Reservation Portion by authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.</p> <p>In relation to ASBA Forms submitted by Retail Individual Investors where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such Retail Individual Investors, as the case may be, using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs.</p> <p>In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, SCSBs, Registered Brokers, the CDPs and RTAs</p>
Designated RTA Locations	Such centres of the CRTAs where Bidders (except Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the CRTAs are available on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) and updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[•]
Draft Red Herring Prospectus	This draft red herring prospectus dated February 10, 2022 filed with SEBI and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares are offered and the size of the Offer, and includes any addenda or corrigenda thereto
Eligible Employee(s)	Permanent employees of our Company and its Subsidiary (excluding such employees not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines), as on the date of filing of the Red Herring Prospectus with the RoC and who continue to be a permanent employee of our Company until the submission of the ASBA Form and is based, working and present in India or abroad as on the date of submission of the ASBA Form; or Director of our Company, whether a whole-time Director or otherwise, not

Term	Description
	holding either himself / herself or through their relatives or through any body corporate, directly or indirectly, more than 10.00% of the outstanding Equity Shares (excluding other Directors not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our Company until submission of the ASBA Form and is based, working and present in India or abroad as on the date of submission of the ASBA Form.
	The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000.00 (net of employee discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000.00 (net of employee discount). Only in the event of an under-subscription in the Employee Reservation Portion post initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000.00 (net of employee discount) subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000.00 (net of employee discount)
Eligible NRI	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for the Equity Shares
Eligible FPI	FPIs that are eligible to participate in this Offer in terms of applicable laws, other than individuals, corporate bodies and family offices
Employee Reservation Portion	The portion of the Offer being up to [•] Equity Shares which shall not exceed 5.00% of the post Issue Equity Share capital of our Company, available for allocation to Eligible Employees, on a proportionate basis
Escrow Account	Account opened with the Escrow Bank for the Offer and in whose favour the Anchor Investors will transfer money through direct credit or NEFT or RTGS or NACH in respect of the Bid Amount when submitting a Bid
Escrow Bank	The bank, which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account will be opened
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revisions thereof, at or above which the Offer Price and Anchor Investor Offer Price will be finalised and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
Fresh Issue	Fresh issue of up to [•] Equity Shares by our Company aggregating up to ₹3000.00 million to be issued by our Company as part of the Offer, in terms of the Red Herring Prospectus and the Prospectus.
	Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a Pre-IPO Placement of such number of Equity Shares for cash consideration aggregating up to ₹ 600.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI / HO / CFD / DIL1 / CIR / P / 2020 / 37 dated March 17, 2020 and the circular no. SEBI / HO / CFD / DIL2 / CIR / P / 2020 / 50 dated March 30, 2020, as amended by SEBI from time to time.
	The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
I-Sec	ICICI Securities Limited
JM Financial	JM Financial Limited
Monitoring Agency	[•]
Monitoring Agency Agreement	The agreement to be entered into between our Company and the Monitoring Agency
Mutual Fund Portion	5.00% of the QIB Portion (excluding the Anchor Investor Portion) or [•] Equity Shares which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
NBFC-SI	Systemically important non-banking financial company defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations and covered under Regulation 2(1)(ss)(xiii) of the SEBI ICDR Regulations as a QIB

Term	Description
Net Offer	The Offer less the Employee Reservation Portion
Net Proceeds	Proceeds of the Offer that will be available to our Company, i.e., gross proceeds of the Fresh Issue, less Offer Expenses to the extent applicable to the Fresh Issue.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares allocated to the Anchor Investors.
Non-Institutional Category	The portion of the Offer, being not more than 15.00% of the Net Offer being [•] Equity Shares, available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Offer Price
Non-Institutional Investors / NIIs	All Bidders, including FPIs other than individuals, corporate bodies and family offices, registered with SEBI that are not QIBs (including Anchor Investors) or Retail Individual Investors, who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Offer	<p>The public issue of up to [•] Equity Shares of face value of ₹ 5.00 each for cash at a price of ₹ [•] each, aggregating up to ₹ [•] million comprising the Fresh Issue and the Offer for Sale.</p> <p>Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with rule 19(2)(b) of the SCRR.</p>
Offer Agreement	The agreement dated February 10, 2022 entered into among our Company, the Selling Shareholders and the Book Running Lead Managers
Offer for Sale	The offer for sale of up to 13,293,514 Equity Shares aggregating up to ₹ [•] million by the Selling Shareholders in the Offer
Offer Price	The final price (within the Price Band) at which Equity Shares will be Allotted to the successful Bidders (except Anchor Investors), as determined in accordance with the Book Building Process and determined by our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the Book Running Lead Managers, in terms of the Red Herring Prospectus on the Pricing Date.
Offered Shares	<p>Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus and the Prospectus</p> <p>A total of up to 13,293,514 Equity Shares aggregating up to ₹[•] million comprising up to 924,444 Equity Shares aggregating up to ₹ [•] million being offered by Dr. R Kishore Kumar , up to 928,000 Equity Shares aggregating up to ₹ [•] million being offered by Scrips 'N' Scrolls India Private Limited, up to 5,763,392 Equity Shares aggregating up to ₹ [•] million being offered by True North Fund V LLP, up to 2,171,270 Equity Shares aggregating up to ₹ [•] million being offered by Indium V (Mauritius) Holdings Limited and up to 3,506,408 Equity Shares aggregating up to ₹ [•] million being offered by SCI Growth Investments II in the Offer for Sale</p>
Pre-IPO Placement	Our Company may, at its discretion, consider issuing Equity Shares on a private placement basis for cash consideration aggregating up to ₹600.00 million, prior to filing of the Red Herring Prospectus with the RoC. The price of the equity shares allotted pursuant to the pre-ipo placement shall be determined by our Company and Selling Shareholders in consultation with the BRLMs. If the pre-ipo placement is completed, the amount raised pursuant to the pre-ipo placement will be reduced from the Fresh Issue, subject to compliance with rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR").
Price Band	Price band ranging from a Floor Price of ₹ [•] per Equity Share to a Cap Price of ₹ [•] per Equity Share, including revisions thereof, if any. The Price Band will be determined by our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the Book Running Lead Managers, and the minimum Bid Lot size will be determined by our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the Book Running Lead Managers, and advertised in [•] editions of [•] (a widely circulated English national newspaper) [•] editions of [•] (a widely circulated Hindi national newspaper) and [•] editions of [•] (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka , where the Registered and Corporate Office is situated), at least two 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 websites.
Pricing Date	The date on which our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the Book Running Lead Managers, shall finalise the Offer Price.



Term	Description
Prospectus	The prospectus to be filed with the RoC for this Offer on or after the Pricing Date in accordance with the provisions of Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, including any addenda or corrigenda thereto and containing the Offer Price, the size of the Offer and certain other information.
Public Offer Account	The bank account to be opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and the ASBA Accounts on the Designated Date.
Public Offer Account Bank	The bank with whom the Public Offer Account is opened for collection of Bid Amounts from the Escrow Account and ASBA Accounts on the Designated Date, in this case being [•].
QIB Portion	The portion of the Offer, being not less than 75% of the Net Offer, or [•] Equity Shares, which shall be available for allocation on a proportionate basis to QIBs, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the Book Running Lead Managers), subject to valid Bids being received at or above the Offer Price.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, the SEBI ICDR Regulations which will not have complete particulars of the price at which the Equity Shares shall be allotted and which shall be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto.
Refund Account	The account opened with the Refund Bank from which refunds, if any, of the whole or part of the Bid Amount shall be made to Anchor Investors.
Refund Bank	The bank which are a clearing member registered with SEBI under the SEBI BTI Regulations, with whom the Refund Account will be opened, in this case being [•].
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number no. CIR/CFD/14/2012 dated October 4, 2012 and the SEBI UPI Circulars, issued by SEBI
Registrar Agreement	The agreement dated February 9, 2022 entered into between our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer	KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)
Retail Category	The category of the Offer, being not more than 10% of the Offer, or [•] Equity Shares, available for allocation to Retail Individual Investors, which shall not be less than the minimum Bid Lot, subject to availability in the Retail Category
Retail Individual Investors /RIIs	Bidders (including HUFs and Eligible NRIs), whose Bid Amount for Equity Shares in the Offer is not more than ₹ 200,000 in any of the Bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Revision Form	The form used by the 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, as applicable.
	QIBs Bidding in the QIB category and Non-Institutional Investors Bidding in the Non-Institutional Category are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during Bid/Offer period and withdraw their Bids until Bid/Offer Closing Date. Further, Retail Individual Investors shall submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment
SEBI UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
Self-Certified Syndicate Banks or SCSBs	(i) The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at

Term	Description
	<p><a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>, as applicable, or such other website as updated from time to time, and</p> <p>(ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a></p> <p>Applications through UPI in the Offer could be made only through the SCSBs mobile applications (apps) whose name appears on SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is appearing in the “list of mobile applications for using UPI in public issues” displayed on SEBI website. The said list shall be updated on SEBI website</p>
Share Escrow Agent	[•]
Share Escrow Agreement	Agreement to be entered into amongst the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate shall accept Bid cum Application Forms, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time
Sponsor Bank	A Banker to the Offer registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Investors and carry out any other responsibilities, in terms of the SEBI UPI Circulars, in this case being [•]
Stock Exchanges	Together, BSE and NSE
Syndicate Agreement	Agreement to be entered into amongst our Company, the Selling Shareholders, the BRLMs and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Members	Syndicate members as defined under Regulation 2(1)(hhh) of the SEBI ICDR Regulations
Syndicate or members of the Syndicate	Collectively, the Book Running Lead Managers and the Syndicate Members
Underwriters	[•]
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date, but prior to filing of the Prospectus
UPI	Unified Payments Interface which is an instant payment mechanism, developed by NPCI
UPI ID	Identity document created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the Retail Individual Investors, by way of a notification on the UPI application and by way of a SMS directing the Retail Individual Investors to such UPI application) to the Retail Individual Investors initiated by the Sponsor Bank to authorise blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI application equivalent to Bid Amount, and the subsequent debit of funds in case of Allotment
UPI Mechanism	The Bidding mechanism that is used by Retail Individual Investors to make Bids in the Offer in accordance with the SEBI UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day(s)	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI, including the SEBI UPI Circulars

#### Conventional and general terms and abbreviations

Term	Description
“₹” or “Rs.” or “Rupees” “INR”	Indian Rupees
AGM	Annual general meeting of shareholders under the Companies Act 2013

Term	Description
AIFs	Alternative Investment Funds as defined in and registered with SEBI under the SEBI AIF Regulations
Bn	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor's Report) Order, 2016
CCI	Competition Commission of India
CCPS	Compulsorily and Convertible Preference Shares
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act 1956	The erstwhile Companies Act, 1956 read with the rules, regulations, clarifications and modifications thereunder
Companies Act, 2013 or Companies Act	The Companies Act, 2013, read with the rules, regulations, clarifications and amendments thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any amendments or substitutions thereof, issued from time to time
COVID-19	The novel coronavirus disease, which is an infectious disease caused by a newly discovered coronavirus strain that was discovered in 2019 and has resulted in a global pandemic
CSR	Corporate social responsibility
Depositories Act	Depositories Act, 1996, read with the rules, regulations, amendments and modifications thereunder
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
Depository Participant or DP	A depository participant as defined under the Depositories Act
DDT	Dividend Distribution Tax
DIN	Director Identification Number
DP ID	Depository Participant's identity number
DPIIT	Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary general meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
ESIC	Employees' State Insurance Corporation
FCNR Account	Foreign Currency Non-Resident (Bank) Account established in accordance with provisions of FEMA
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/Fiscal/FY	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors (as defined under the SEBI FVCI Regulations) registered with SEBI
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GDS	Gross Domestic Savings
Government of India, Central Government or GoI	The Government of India
GST	Goods and Services Tax
HUF(s)	Hindu undivided family(ies)
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	Income-tax Act, 1961
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 and referred to in the Ind AS Rules
Ind AS 24	Indian Accounting Standard 24 on Related Party Disclosure issued by the MCA
Ind AS 33	Indian Accounting Standard 33 on Earnings Per Share issued by the MCA
Ind AS 34	Indian Accounting Standard 34 on Interim Financial Reporting issued by the MCA

Term	Description
Ind AS 37	Indian Accounting Standard 37 on Provisions, Contingent Liabilities and Contingent Assets issued by the MCA
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act, 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
INR, Rupee, ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
IPO	Initial public offering
IS	International Standards
IT	Information Technology
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal Cost of funds-based Lending Rate
MIS	Management Information System
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NAV	Net Asset Value
NCLT	National Company Law Tribunal
NEFT	National Electronic Fund Transfer
NPCI	National Payments Corporation of India
NR/Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-Resident Indian
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
OFAC	U.S. Department of the Treasury of Foreign Assets Control
Operating EBITDA	Operating EBITDA is calculated as restated loss after tax plus total tax expense, finance costs and depreciation and amortization expense less lease payments, interest income on bank deposits, interest income on other financial assets at amortised cost, interest income on income tax refund, net gain on sale of current investments, fair value gain on investments at fair value through profit or loss
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
ROCE	Return on Capital Employed
ROE	Return on Equity
RoNW	Return on Net Worth
Rule 144A	Rule 144A under the U.S. Securities Act
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992

Term	Description
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
STT	Securities Transaction Tax
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U. S. Securities Act	United States Securities Act of 1933, as amended
US\$ or USD or US Dollar	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

### Industry and Business related terms

Term	Description
AI	Artificial Intelligence
ANC	Antenatal care
ART	Assisted Reproductive Technology
CAH	Congenital Adrenal Hyperplasia
CGHS	Central Government Health Scheme
CH	Congenital Hypothyroidism
CSSD	Central sterile and supply department
EHR	Electronic health records
G6PD	Glucose-6-phosphate-dehydrogenase deficiency
HMIS	Health Management Information System
ICN	Intensive care nursery
ICSI	Intracytoplasmic sperm injection
IEM	Inborn Errors of Metabolism
IMR	Infant mortality rate
INAP	India New-born Action Plan
IPD	In-patient department
IRDA	Insurance Regulatory and Development Authority
ISO	International Organization for Standardization
ISQua	International Society for Quality in Health Care
IUI	Intrauterine insemination
IVF	In vitro fertilisation
JCI	Joint Commission International
M-health	Mobile health
M&C	Mother & Child
MD	Doctor of Medicine
microTESE	micro testicular sperm extraction
Ministry of AYUSH	Ministry of Ayurveda, Yoga, Naturopathy, Unani, Siddha, Sowa-Rigpa and Homoeopathy, Government of India
ML	Machine learning
MoHFW	Ministry of Health and Family Welfare, Government of India
MoSPI	Ministry of Statistics and Programme Implementation, Government of India
MRI	Magnetic resonance imaging
NABH	National Accreditation Board for Hospitals and Healthcare Providers
NBS	New born screening
NBSU	New born stabilization unit
NCD	Non-communicable disease
NFHS	National Family Health Survey
NGOs	Non-governmental organisations
NHA	National Health Agency
NICU	Neonatal intensive care unit
NLEM	National List of Essential Medicines
NMR	Neonatal mortality rate
NNF	National Neonatology Forum
NPPA	National Pharmaceutical Pricing Authority
O&M	Operation and maintenance
OP	Out-patient
OPD	Out-patient department

<b>Term</b>	<b>Description</b>
PCH	Paediatrics and Child Health
PESA	Percutaneous epididymal sperm aspiration
PFCE	Private final consumption expenditure
PGD	Preimplantation genetic diagnosis
PGS	Preimplantation genetic screening
PMJAY	Ayushman Bharat Pradhan Mantri Jan Arogya Yojana
PPE	Personal protective equipment
R&D	Research and development
RAS	Robot-assisted surgery
RIS	Radiology information system
SBR	Still Birth Rate
SHA	State Health Agency
SNCU	Special Newborn Care Units
SOP	Standard operating procedure
TAS	Trent Accreditation Scheme
TESA	Testicular sperm aspiration
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UN IGME	United Nations Inter-agency Group for Child Mortality Estimation
WHO	World Health Organization

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

### **Certain conventions**

All references in this Draft Red Herring Prospectus to “**India**” are to the Republic of India, together with its territories and possessions. All references in this Draft Red Herring Prospectus to the “**U.S.**”, “**USA**” or “**United States**” are to the United States of America, together with its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time (“**IST**”). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

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

### **Financial data**

Unless stated otherwise or the context otherwise requires, the financial data in this Draft Red Herring Prospectus is derived from the Restated Consolidated Financial Information. The Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at and for the six months ended September 30, 2021 and September 30, 2020, and as at and for the Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019, have been derived from our audited interim special purpose consolidated financial statements as at and for the six months ended September 30, 2021 and our audited interim consolidated financial statements as at and for the six months ended September 30, 2020, which are prepared in accordance with Ind AS 34 and our audited consolidated financial statements as at and for the Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019, which are prepared in accordance with Ind AS, read with Ind AS Rules, and restated in accordance with the SEBI ICDR Regulations, Section 26 of the Companies Act and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI. For further information, see “Financial Information” on page 217. Further, the audited interim special purpose consolidated financial statements as at and for the six months ended September 30, 2021 and the audited interim consolidated financial statements as at and for the six months ended September 30, 2020, are not comparable with the audited consolidated financial statements as at and for the Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019.

The Consolidated Financial Statements of our Company and Subsidiary as at and for the year ended March 31, 2021, March 31, 2020, and March 31, 2019, and the audited interim consolidated financial statements as at and for the six months ended September 30, 2020, were audited by the previous auditors of our Company, being S.R Batliboi & Associates LLP, Chartered Accountants.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Draft Red Herring Prospectus to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12-month period ended on March 31 of that particular calendar year.

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 figures in decimals have been rounded off to the two decimal points. 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.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 27, 152 and 279, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from the Restated Consolidated Financial Information.

### *Non- GAAP Financial Measures*

This Draft Red Herring Prospectus contains certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA margin, operating EBITDA, operating EBITDA margin, return on capital employed, gross margin, net worth, return on net worth, net asset value per equity share, debt equity ratio, cash ratio, debt service coverage ratio, interest coverage ratio, and certain other statistical information relating to our operations and financial performance that are not required



by, or presented in accordance with, Ind AS, Indian GAAP, U.S. GAAP, or IFRS. Further, these non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. We compute and disclose such non-Indian GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-Indian GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

### **Industry and market data**

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained or derived from a report titled "*Assessment of the healthcare delivery market in India*" dated December 2021, which is exclusively prepared for the purpose of the Offer and issued by CRISIL and is commissioned and paid for by our Company. CRISIL was appointed on October 26, 2021 pursuant to an engagement letter entered into with our Company. The CRISIL Report shall be available on the website of our Company at <https://www.cloudninecare.com/others/investors> in compliance with applicable laws. The excerpts of the industry report are disclosed in the Offer Documents and there are no parts, information, data (which may be relevant for the proposed Offer), left out or changed in any manner. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. For risks in relation to commissioned reports, see "***Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such a purpose***" on page 51.

Although the industry and market data used in this Draft Red Herring Prospectus is reliable, industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect.

The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. The extent to which industry and market data set forth 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. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 27.

In accordance with the SEBI ICDR Regulations, the section titled "*Basis for the Offer Price*" on page 113, includes information relating to our peer group companies.

### **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 entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Kids Clinic India Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to*

information obtained by CRISIL Ratings Limited / 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 Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval"

### Currency and units of presentation

All references to "Rupee(s)", "Rs." or "₹" or "INR" 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.

All the figures in this Draft Red Herring Prospectus have been presented in million 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. However, figures sourced from third-party industry sources may be expressed in denominations other than million 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.

### Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Rupees that have been presented solely to comply with the requirements of SEBI ICDR Regulations. Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees at any particular rate, the rates stated above or at all. 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 as on				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019*
USD	74.25	73.80	73.50	75.39	69.17

Source: RBI / Financial Benchmark India Private Limited

\* Exchange rate as on March 29, 2019, as RBI Reference Rate is not available for March 30, 2019 being Saturday and March 31, 2019 being a Sunday. Exchange rate is rounded off to two decimal places.

## **NOTICE TO PROSPECTIVE INVESTORS**

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of this Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, (“U.S. Securities Act”) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”) in transactions exempt from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”. This Draft Red Herring Prospectus is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. Any reproduction or distribution of this Draft Red Herring Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited.

## FORWARD-LOOKING STATEMENTS

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

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

- inability to provide quality healthcare services to our customers;
- inability to attract and retain skilled professionals;
- uncertainty of the impact of the Covid Pandemic on our business and operations;
- failure to maintain and enhance our brand and reputation;
- challenges in further expansion of our operations in cities we currently operate or in other cities that we intend to commence operations;
- failure to identify and adopt to technological advancements;
- inability to achieve favourable pricing from suppliers or vendors;
- failure or malfunction of medical other equipment;
- inability to obtain or renew approvals/licences/registrations and permits to operate business in a timely manner; and
- inability to renew or terminate our lease agreements where our centres are located.

For a further discussion of factors that could cause our actual results to differ from our expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 27, 152 and 196, 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 gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect our views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on the currently available information. 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, Directors, the Selling Shareholders, and the BRLMs or their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of

underlying events, even if the underlying assumptions do not come to fruition. There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

In accordance with regulatory requirements, our Company will ensure that investors in India are informed of material developments from the date of filing of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. In accordance with regulatory requirements, the Selling Shareholders, severally and not jointly, will ensure that investors are informed of material developments in relation to the statements and undertakings expressly confirmed by such Selling Shareholders, as the case may be, in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares, in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

## SUMMARY OF THE OFFER DOCUMENT

*This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled “Risk Factors”, “Our Business”, “Industry Overview”, “Capital Structure”, “The Offer” and “Outstanding Litigation and Material Developments” beginning on at pages 27, 152, 121, 82, 65 and 320 respectively of this Draft Red Herring Prospectus.*

### Primary business of our Company

We are the leading brand in the super-speciality mother and baby-care space in Fiscal 2021, based on the highest revenue and highest number of hospitals across the major cities as of Fiscal 2021 among the super-speciality mother and baby care hospitals. (Source: CRISIL Report) With an undiluted focus on mother and baby, we are able to dedicate our resource allocation, management and coordination, doctor and staff training, infrastructure and ambience to provide dedicated care for our customers and an attractive workplace for doctors in specialisations related to our services. We offer end-to-end coverage of all stages of the parenthood journey, beginning with fertility treatments, through maternity, neonatology and paediatrics, dedicated to the holistic well-being of mother and baby.

### Summary of the industry in which our Company operates

The private maternity healthcare market in Fiscal 2020 was ₹ 208 billion and projected to grow at CAGR of 11% to 12% from Fiscal 2021 to Fiscal 2026 to reach ₹ 261 billion in Fiscal 2026. (Source: CRISIL Report) The private mother and baby care market is expected to grow on account of increased penetration of institutional deliveries, the rising share of private hospitals in rural and urban areas, and rise in the treatment costs on account of delayed deliveries. (Source: CRISIL Report). With the rise in nuclearization of family structures, and changing consumer behaviours, couples increasingly prefer professional services under one roof with dedicated maternity facilities. Rise in per capita income and urbanization changing spending towards aspirational lifestyles drive demand for experiential value-added services. (Source: CRISIL Report).

### Names of our promoters

Our Company is a professionally managed company and does not have an identifiable promoter in terms of the SEBI ICDR Regulations and the Companies Act, 2013.

### Offer size

The details in relation to the Offer is set forth below:

<b>Offer<sup>(1)^</sup></b>	Up to [•] Equity Shares, aggregating up to ₹ [•] million
<b>of which</b>	
<b>Fresh Issue<sup>(1)^</sup></b>	Up to [•] Equity Shares, aggregating up to ₹ 3000.00 million
<b>Offer for Sale<sup>(2)(3)</sup></b>	Up to 13,293,514 Equity Shares aggregating up to ₹ [•] million comprising up to 924,444 Equity Shares aggregating up to ₹ [•] million being offered by Dr. R Kishore Kumar, up to 928,000 Equity Shares aggregating up to ₹ [•] million being offered by Scrips ‘N’ Scrolls India Private Limited, up to 5,763,392 Equity Shares aggregating up to ₹ [•] million being offered by True North Fund V LLP, up to 2,171,270 Equity Shares aggregating up to ₹ [•] million being offered by Indium V (Mauritius) Holdings Limited and up to 3,506,408 Equity Shares aggregating up to ₹ [•] million being offered by SCI Growth Investments II
<b>Employee Reservation Portion<sup>(4)</sup></b>	Up to [•] Equity Shares aggregating up to ₹ [•] million

<sup>^</sup>Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement of such number of Equity Shares for cash consideration aggregating up to ₹ 600.00 million prior to the filing of the Red Herring Prospectus with the RoC is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.

- (1) The Offer has been authorised pursuant to the resolution dated January 31, 2022 passed by our Board and the Fresh Issue has been authorised pursuant to the resolution dated February 1, 2022 passed by our Shareholders.
- (2) The Selling Shareholders have, severally and not jointly, confirmed and authorized their respective participation in the Offer for Sale. The Equity Shares to be offered by each Selling Shareholder in the Offer for Sale have been held by them for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and are accordingly, eligible for being offered for sale in the Offer for Sale. For details see “Other Regulatory and Statutory Disclosures”

on page 327. Further, the Selling Shareholders have, severally and not jointly, as applicable, specifically confirm that the Equity Shares proposed to be offered by the Selling Shareholders may include all or a portion of the Equity Shares which will be issued upon conversion of the CCPS held by them and the same are eligible to be offered for sale in the Offer in terms of the SEBI ICDR Regulations. The conversion of CCPS will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) and Regulation 8 of the SEBI ICDR Regulations.

- (3) In accordance with Regulation 8(A) of the SEBI ICDR Regulations; (i) Selling Shareholders holding, individually or with persons acting in concert, more than 20% of pre-issue shareholding of the Company (on a fully- diluted basis), shall not exceed more than 50% of their respective pre-issue shareholding (on a fully- diluted basis) and (ii) Selling Shareholders holding, individually or with persons acting in concert, less than 20% of pre-issue shareholding of the Company (on a fully- diluted basis), shall not exceed more than 10% of the pre-issue shareholding of the Company (on a fully- diluted basis).
- (4) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of employee discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of employee discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹ 500,000 net of employee discount), shall be added to the Net Offer. For further details, see “Offer Structure” beginning on page 343.

## Objects of the Offer

The details regarding the use of the Net Proceeds is set forth below:

		(₹ in million)
Particulars	Amount <sup>^</sup>	
Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company	950.00	
Setting up new centers at various locations	1,179.00	
Acquisition of further shareholding in our Subsidiary, Acquity Labs	127.10	
General corporate purposes <sup>(1)</sup>	[•]	
<b>Total</b>	<b>[•]</b>	

<sup>(1)</sup>To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds from the Fresh Issue.

<sup>^</sup> Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.

For further details, see “Objects of the Offer” on page 97.

## Aggregate pre-Offer shareholding of Selling Shareholders

The aggregate pre-Offer shareholding of the Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus is set out below:

Name of Selling Shareholder	Number of Equity Shares held	Percentage of the pre-Offer paid-up Equity Share capital (%)	Number of Equity Shares *	Percentage of pre-Offer Equity Share capital (%)
<b>Investor Selling Shareholders</b>				
True North Fund V LLP	593,080	4.22%	11,734,500	26.56%
SCI Growth Investments II	871,592	6.21%	6,156,366	13.93%
Indium V (Mauritius) Holdings Limited	Nil	Nil	4,342,540	9.83%
<b>Founder Selling Shareholders</b>				
Dr. R Kishore Kumar	5,478,354	39.02%	5,478,354	12.40%
Scrips ‘N’ Scroll India Private Limited	4,198,354	29.90%	4,198,354	9.50%

\*Assuming conversion of CCPS into Equity Shares. For details of the CCPS, see “Capital Structure” beginning on page 82.

## Summary of selected financial information

The summary of selected financial information of the Company based on the Restated Consolidated Financial Information is set forth below:

						(in ₹ million, other than per share data)
Particulars	As at and for the six months period ended September 30, 2021	As at and for the six months period ended September 30, 2020	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019	
Equity Share capital	66.93	65.94	66.19	65.94	65.94	
Net Worth	2,244.72	2,157.32	2,038.27	2,335.09	2,409.66	



(in ₹ million, other than per share data)

Particulars	As at and for the six months period ended September 30, 2021	As at and for the six months period ended September 30, 2020	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Revenue from operations	3,716.47	2,602.60	5,545.86	5,163.04	4,181.82
Restated loss after tax	(98.59)	(182.96)	(347.08)	(296.21)	(654.73)
Basic EPS (₹)**	(2.38)	(4.34)	(8.30)	(7.05)	(15.67)
Diluted EPS (₹)**	(2.38)	(4.34)	(8.30)	(7.05)	(15.67)
NAV per equity share (₹)*	52.31	50.95	48.14	55.15	57.41
Current borrowings (A)	113.87	189.28	108.64	169.66	122.97
Non-current borrowings (B)	635.12	300.39	353.10	357.22	356.28
Total borrowings (C) = (A) + (B)	748.99	489.67	461.74	526.88	479.25

\*Net asset value (NAV) per equity share (in ₹) post as adjusted for split (refer note below) for all periods presented in accordance with Ind AS 33 principles= Total equity attributable to owners of the Company divided by weighted average number of equity shares outstanding during the year / period.

\*\*Basic EPS and Diluted EPS not annualised for September 30, 2021 and September 30, 2020

Note:

Pursuant to a shareholders resolution dated January 17, 2022, approved sub-division of equity shares of face value of ₹ 10.00 each into equity shares of face value of ₹ 5.00 each. For calculation of EPS and Net asset value per equity share, effect of subdivision of shares have been retrospectively adjusted as if the event had occurred at the beginning of the earliest period presented in accordance with Ind AS 33.

### Qualifications of the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Information

The Statutory Auditors have not made any qualifications in the examination report that have not been given effect to in the Restated Consolidated Financial Information.

### Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, our Subsidiary and our Directors as on the date of this Draft Red Herring Prospectus is provided below:

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Material civil litigation	Aggregate amount involved * (in ₹ million)
<b>Company</b>					
By our Company	1	-	-	-	0.07
Against our Company	-	5	-	2	149.47
<b>Subsidiary</b>					
By our Subsidiaries	-	-	-	-	-
Against our Subsidiaries	-	-	-	-	-
<b>Directors</b>					
By the Directors	-	-	-	-	-
Against our Directors	-	-	-	-	-

\*To the extent quantifiable.

For further details on the outstanding litigation proceedings, see “Outstanding Litigation and Material Developments” on page 320.

### Risk factors

For details in relation to certain risks applicable to us, see “Risk Factors” on page 27.

### Summary of contingent liabilities

The summary of the contingent liabilities as per Ind AS 37 (claims/ demands not acknowledged as debt) of our Company, as of September 30, 2021 derived from the Restated Consolidated Financial Information, is set forth below:

<b>Contingent Liabilities not provided for in respect of:</b>		(in ₹ million)
		<b>As at September 30, 2021</b>
Income tax matters		10.29
Service tax matters		4.96
Customer related matters		278.23
Bank guarantee, issued against fixed deposit, which are in favour of various government authorities		0.19

Notes:

- (1) Income tax matters are mainly on account of certain expenditure disallowed by department which have been contested by our Company at various forums. Our Company does not anticipate this to significantly impact its financial statements.
- (2) Service tax/Value added tax matters mainly pertains to dispute arising from demands made towards liability under reverse charge mechanism for certain works contract services received. These are not reimbursable.
- (3) Our Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (4) On February 28, 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. In the assessment of the management of our Company, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Restated Consolidated Financial Informations
- (5) The Indian Parliament has approved the Code on Social Security, 2020 and Code on Wages, 2019 relating to employee benefits during employment and postemployment benefits in September 2020 and the same has received Presidential Assent. The Codes have been published in the Gazette of India. However, the date on which the Codes will come into effect has not yet been notified. Our Company will need to assess the impact of the above. The impact will be recorded in the first period after the Codes become effective.

### Summary of related party transactions

The following is the summary of transactions with related parties of our Company for Fiscals ended 2019, 2020, 2021 and for the six months' period ended September 30, 2021 and September 30, 2020, based on the Restated Consolidated Financial Information of our Company as per the requirements under applicable Accounting Standards i.e., Ind AS 24 read with the SEBI ICDR Regulations:

### Transactions with related parties during the period / year:

Particulars	For six months period ended		For the year ended		
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
<b>Reimbursement of expenses to/ (from)</b>					
True North Managers LLP	-	1.38	2.96	7.31	8.82
Dr. R Kishore Kumar, Director	0.01	-	0.01	0.19	0.46
Mr. Rohit M A, Managing director (Executive Director from January 4, 2022)	-	-	0.01	0.02	1.11
Mr. Raviganesh Venkataraman, CEO and Executive Director	-	-	0.01	0.03	-
Mr Sandeep Bardia, Chief Financial Officer	-	-	0.01	0.13	-
Dr. Akash N, Managing Director	0.15	0.08	0.14	0.14	0.12
Dr. Bhanumathi Akash, Director	0.05	0.03	0.13	0.16	0.05
Cloudnine Foundation	-	(0.06)	(1.03)	-	-
<b>Rent expense</b>					
Dr. R Kishore Kumar, Director	-	-	-	-	2.71
<b>Doctor's professional fees</b>					
Dr. R Kishore Kumar, Director	2.65	1.79	4.13	6.30	5.76
<b>Advances given</b>					
Dr. Akash N, Managing Director	0.03	0.15	0.15	-	-
Dr. Bhanumathi Akash, Director	0.01	0.20	0.20	-	-
<b>Advances recovered</b>					
Dr. Akash N, Managing Director	0.03	-	0.15	-	-
Dr. Bhanumathi Akash, Director	0.01	0.20	0.20	-	-
<b>Loans taken</b>					
Dr. Bhanumathi Akash, Director	1.50	1.00	1.00	-	-
<b>Repayment of loan</b>					

(in ₹ million)

Particulars	For six months period ended		For the year ended		
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Dr. Akash N, Managing Director	-	-	-	-	(1.00)
Dr. Bhanumathi Akash, Director	(1.50)	(0.10)	(1.00)	-	-

During the year ended March 31, 2019, the Company has issued 1,042,209 NCCCPS Class C1 of Rs. 100 each fully paid-up at a premium of Rs. 475.70 per preference share to True North Fund V LLP.

During the period ended September 30, 2021, the Company has issued 495,031 NCCCPS Class C2 of Rs. 300 each fully paid-up at a premium of Rs. 306.02 per preference share to NewQuest Asia Fund IV (Singapore) Pte Ltd.

(in ₹ million)

Particulars	For six months period ended		For the year ended		
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Remuneration to key managerial personnel/ officers of the Company or their relatives*					
Dr. R Kishore Kumar, Director	5.89	5.87	11.76	12.96	9.43
Mr. Rohit M A, Managing Director (Executive Director from January 4, 2022)	5.89	5.89	11.77	12.95	9.42
Mrs. Vidya Kumar, wife of Dr. R Kishore Kumar, Director	0.89	0.88	1.77	1.77	1.77
Mr. Akash Malik, CEO and Director	-	-	-	9.74	15.28
Mr. Raviganesh Venkataraman, CEO and Executive Director	18.85	14.78	23.18	16.07	-
Mr Sandeep Bardia, Chief Financial Officer	8.44	7.49	12.50	8.52	-
Mr. Ajit Bistangoudar, Company Secretary	-	-	-	-	1.12
Mr. Madhusudhan P, Company Secretary	1.12	1.04	1.96	1.83	0.38
Dr. Akash N, Managing Director	1.89	1.31	3.25	2.88	2.38
Dr. Bhanumathi Akash, Director	1.52	1.06	2.62	2.32	1.91

\*Remuneration comprises of short-term employee benefits and does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company and Subsidiary, as a whole.

#### Summary of the transactions between holding company and its subsidiary (Acquity Labs Private Limited) eliminated on consolidation.

(in ₹ million)

Particulars	For six months period ended		For the year ended		
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
<b>Acquity Labs Private Limited</b>					
Laboratory and radiology expenses	27.39	19.62	45.60	33.52	19.11
Other income	-	-	-	1.00	-

#### Financing Arrangements

There have been no financing arrangements whereby our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the relevant financing entity during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

#### Details of price at which specified securities were acquired in the last three years preceding the date of this Draft Red Herring Prospectus by Selling Shareholders or by Shareholders having rights to nominate directors or have other rights

The Selling Shareholders have not acquired any specified securities in the last three years preceding the date of this Draft Red Herring Prospectus. The details of price at which specified securities were acquired in the last three years preceding the date of this Draft Red Herring Prospectus by Shareholders having rights to nominate directors or have other rights\*:

Name of the acquirer/shareholder	Nature of specified securities	Face value (in ₹)	Date of acquisition	Number of specified securities acquired	Acquisition price per specified security
NewQuest Asia Fund IV (Singapore) Pte. Ltd	Equity Shares	10	July 9, 2021	100	464.63
	CCPS A	10	July 9, 2021	3,319,568	464.62
	CCPS B	10	July 9, 2021	767,210	464.62
	CCPS B1	100	July 9, 2021	125,945	464.62
	Equity Shares	10	July 24, 2021	700,000	464.62
	Equity Shares	10	July 24, 2021	22,450	464.62
	Equity Shares	10	July 24, 2021	8,226	393.06
	Equity Shares	10	July 24, 2021	61,332	393.06
	CCPS C2	300	July 24, 2021	495,031	606.02
	Equity Shares	10	December 23, 2021	77,374	575.70

\*As certified by Manian & Rao, Chartered Accountants, by way of their certificate dated February 10, 2022

### Weighted average price at which specified securities were acquired by the Selling Shareholders, in the last one year preceding the date of this Draft Red Herring Prospectus

No Selling Shareholder has acquired equity shares and/or Preference Shares in the one year preceding the date of this Draft Red Herring Prospectus.

### Average cost of acquisition of Equity Shares of the Selling Shareholders

The average cost of acquisition per Equity Share of the Selling Shareholders as at the date of this Draft Red Herring Prospectus is:

Name of the Selling Shareholder	Number of Equity Shares held as of**	Average price of Equity Shares (in ₹)*
<b>Investor Selling Shareholders</b>		
True North Fund V LLP	11,734,500	287.97
SCI Growth Investments II	6,156,366	168.93
Indium V (Mauritius) Holdings Limited	4,342,540	287.85
<b>Founder Selling Shareholders</b>		
Dr. R Kishore Kumar	54,78,354	5.74
Scrips 'N' Scroll India Private Limited	41,98,354	4.98

\*As certified by Manian & Rao, Chartered Accountants, by way of their certificate dated February 10, 2022.

\*\*Assuming conversion of CCPS into Equity Shares. For details of the CCPS, see "Capital Structure" beginning on page 82.

### Details of Pre-IPO placement

Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a Pre-IPO Placement of such number of Equity Shares aggregating up to ₹ 600.00 million prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Except as stated herein and other than exercise of options granted under the ESOP Plan 2013 and allotment of Equity Shares pursuant to conversion of CCPS, our Company does not contemplate any issuance or placement of the Equity Shares from the date of this Draft Red Herring Prospectus until the listing of the Equity Shares.

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

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

### Split/Consolidation of Equity Shares in the last one year

Other than the sub-division of face value of the equity shares of our Company from ₹10.00 to ₹ 5.00 pursuant to the approval of our Shareholders by way of its resolution dated January 17, 2022, pursuant to which 7,019,710 Equity Shares of ₹10.00 each were sub-divided as 14,039,420 Equity Shares of ₹5.00 each on the record date i.e.,

January 17, 2022, our Company has not undertaken any split or consolidation of Equity Shares in one year preceding the date of this Draft Red Herring Prospectus.

**Exemption from complying with any provisions of securities laws, if any, granted by SEBI**

The Company has not sought for any exemptions from complying with any provisions of securities laws.

## SECTION II - RISK FACTORS

*An investment in our 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 in this section are those that we consider to be the most significant to our business, results of operations and financial condition as of the date of this Draft Red Herring Prospectus.*

*The risks set out in this section may not be exhaustive and additional risks and uncertainties, not currently known to us or that we currently do not deem material, may arise or may become material in the future and may also adversely affect our business, results of operations, cash flows and financial condition. If any or a combination of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and investors may lose all or part of their investment. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with “Our Business”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Restated Consolidated Financial Information” on pages 152, 121, 279 and 224, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved.*

*Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. In making an investment decision, prospective investors must rely on their own examinations of us and the terms of the Offer, including the merits and the risks involved.*

*This Draft Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further information, see “Forward-Looking Statements” on page 18.*

*Unless otherwise indicated, the financial information included herein is based on our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For further information, see “Restated Consolidated Financial Information” on page 224. Unless the context otherwise requires, in this section, references to “we”, “us”, “our”, “the Group” or “our Group” refers to Kids Clinic India Limited on a consolidated basis and references to “the Company” or “our Company” refers to Kids Clinic India Limited on a standalone basis.*

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled “Assessment of Healthcare Delivery Market in India” dated December 2021 (the “CRISIL Report”) prepared and issued by CRISIL Research appointed pursuant to an engagement letter dated October 26, 2021 entered into with our Company. The CRISIL Report has been exclusively commissioned and paid for by us in connection with the Offer. A copy of the CRISIL Report shall be available on the website of our Company at <https://www.cloudninecare.com/others/investors> in compliance with applicable laws. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. For more information, see “Risk Factor – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such a purpose.” on page 51. Also see, “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data” on page 15.*

## Internal Risks

### *Risks Relating to the Business of the Company*

- 1. We are subject to various operational, reputational, medical and legal risks associated with the operations of our healthcare services. An inability to provide quality healthcare catering to the needs of our customers could adversely affect our reputation, business prospects and financial performance.***

Operating in the healthcare industry entails several operational, reputational, medical and legal risks. Healthcare quality is measured by factors such as quality of medical care, doctor expertise, friendliness of staff, waiting times and ease of access to our doctors, nurses and pharmacists, and the overall inpatient and outpatient experience with us. This also includes continuously upgrading our facilities and providing sophisticated treatments based on medical advancements. If we are unable to provide high quality services to our customers, fail to maintain a high level of customer satisfaction, or experience a high rate of mortality, medical complications or medical malpractice claims, our brand or reputation could be damaged. Any significant damage to our reputation and/or brand caused by any of the foregoing factors could have a material adverse effect on our ability to attract new and repeat customers and, as a result, adversely affect our business, financial condition, results of operations and prospects.

For example, our services include specialized medical and surgical care to babies born prematurely or with complications. As a result, we may be exposed to heightened risks of legal claims and regulatory actions arising out of the healthcare services we provide and any alleged non-compliance with the provisions of applicable laws and regulations. While we have not been subject to any other material instances of legal or regulatory action in the past, aside from those disclosed in this Draft Red Herring Prospectus such as medico-legal cases, we cannot assure you that this will continue to be the case in the future. For further information on our litigation, please see “*Outstanding Litigation and Material Developments*” on page 320. The healthcare industry is subject to stringent laws, rules and regulations, and compliances which may require substantial cost and management attention. See “*Key Regulations and Policies in India*” on page 180. In addition, there are ongoing and proposed reforms in the healthcare industry in India, and we are subject to the uncertainty associated with such development. For further information, please see “*Key Regulations and Policies in India*” and “*— Compliance with applicable safety, health and environmental regulations may be costly and adversely affect our competitive position and results of operations. Regulatory reforms in the healthcare industry and associated uncertainty may adversely affect our business, results of operations and financial condition.*” on pages 180 and 37, respectively.

From time to time, we may be subject to complaints from our customers, or be involved in litigation alleging, among other things, medical negligence by our doctors and other healthcare professionals. For further information, please see “*Outstanding Litigation and Material Developments*” on page 320. Complaints may be filed against our doctors and show cause notices may be issued, or inquiries may be initiated by regulatory or adjudicating authorities with respect to the treatment and other services provided to mother and child. In addition, we may be vicariously liable for the medical negligence of our doctors and other healthcare professionals. An adverse outcome in such proceedings could lead to the suspension or removal of our doctors from the register of medical practitioners or have financial consequences for us and our doctors and/or expose us or our doctors to criminal or other liability. There are instances in the past where our doctors were subjected to the acts of medical negligence, deficiency in service, lack of reasonable care and misdiagnosis. For instance, we have received a consumer complaint dated September 7, 2020 alleging negligence, deficiency of service and lack of reasonable care, with a compensation of ₹ 99 million sought. We have denied the allegations and the matter is presently pending. We cannot assure you that we will not face similar complaints in the future. We have received two complaints from our customers alleging medical negligence and deficiency of services on the part of our doctors and staffs. Further, in January 2022, we have received a complaint from one of our customer alleging medical negligence and deficiency of services by our doctors and staffs in our centre located in Malad, Mumbai. We have received one demand notice for payment of compensation to the customer alleging deficiency of services by us and medical negligence by our doctors in the matter. We cannot assure you that the above mentioned complaint and notice would not lead to any litigation or have any adverse consequences for us. We cannot assure you that these complaints would not lead to any litigation or have any adverse consequences for us.

We may also be subject to complaints related to product negligence and product liability for medical devices or pharmaceuticals we dispense. Medical products that we sell, or use could become subject to contamination, tampering, mislabelling or other damage due to reasons such as inappropriate storage conditions. In addition, errors in any form, including in the dispensing and packaging of pharmaceuticals could lead to serious injury, illness or even death. Product liability claims may be asserted against us with respect to any of the products or pharmaceuticals we sell.



Furthermore, we could also be the subject of complaints from customers who are dissatisfied with the quality and cost of healthcare services we offer. For instance, we have a mechanism to collect customer feedback on an ongoing basis and may receive complaints on that platform or other platforms. For further information, please see “*Outstanding Litigation and Material Developments*” on page 320. We may also be subject to inquiries or investigations may be initiated by regulatory or adjudicating authorities with respect to such matters. The results of these inquiries, investigations, claims and legal proceedings cannot be predicted, and it is possible that the ultimate resolution of these legal claims and regulatory actions, individually or in the aggregate, may have a material adverse effect on our business both in the near and long term, financial position, results of operations or cash flows. Although we defend ourselves vigorously against claims and lawsuits, these matters could require us to pay substantial damages or amounts in judgments or settlements, which individually or in the aggregate could exceed amounts, if any, that may be recovered under our insurance policies where coverage applies and is available, harm our reputation and the goodwill associated with our brand, cause us to incur substantial expenses and/or substantial increases in our insurance premiums, require significant time and attention from our management and may require us to incur debt to finance any damages or amounts in judgment or settlement.

The existence of any such claims may harm our professional standing and market reputation and/or that of the doctors and medical professionals involved. While we seek to mitigate against such risks by striving to deliver world-class healthcare by establishing institutes of excellence and large-scale hospitals with advanced medical infrastructure with medical equipment and technology as well as employ highly skilled and experienced healthcare professionals to offer quality medical services to customers, there is no assurance that we will be successful in doing so. See “*Outstanding Litigation and Material Developments*” and “— *Internal Risks*” on pages 320 and 28, respectively.

**2. *We are highly dependent on doctors, nurses and other healthcare professionals and our business will be impacted significantly if we are unable to attract / retain such professionals.***

Our performance and growth strategy depends substantially on our ability to attract and retain experienced doctors, nurses and other healthcare professionals in a highly competitive industry. The demand for doctors is highly competitive. The availability of specialist doctors is limited by the significant training period involved. Skilled doctors are in high demand in India, making it difficult to hire and retain senior doctors. We compete with other healthcare providers, including other single-specialty hospitals in our field or multi-specialty hospitals, fertility clinics, to attract and retain doctors from a limited pool of candidates. The key factors that doctors consider for their place of employment include the reputation of the hospital, the quality of the facilities, the ability to attract customers, research and teaching opportunities, and compensation. We may not compare favourably with other healthcare providers on one or more of these factors.

We also need to identify, attract and retain other healthcare professionals, such as nurses, physiotherapists, in-house and outsourced laboratory technicians, paediatricians, fertility experts, nutritionists, embryologists and pharmacists, to support the services provided at our centres. The limited supply of healthcare professionals may cause salaries and wages to rise which would lead to an increase in costs to recruit and retain these healthcare professionals.

The following table depicts our professional fees to consultant doctors and employee benefits expense as a percentage of our total expenses for Fiscal 2019, 2020, and 2021 and the six months ended September 30, 2020 and 2021.

Particulars	Fiscal				For the six months ended September 30,					
	2019		2020		2021		2020		2021	
	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expense	Amount (₹ million)	% of total expenses
Professional Fees to Consultant Doctors	1,367.56	27.19%	1,637.32	29.12%	1,677.57	27.91%	785.56	27.55%	1,012.23	26.27%
Employee benefits expense	888.44	17.66%	1,010.85	17.98%	1,121.58	18.66%	568.99	19.96%	647.86	16.81%
<b>Total Expenses</b>	<b>5,030.51</b>	<b>100.00%</b>	<b>5,623.35</b>	<b>100.00%</b>	<b>6,009.80</b>	<b>100.00%</b>	<b>2,851.06</b>	<b>100.00%</b>	<b>3,853.00</b>	<b>100.00%</b>

If we are unable to attract or retain medical personnel as required, we may not be able to maintain the quality of our services, which may adversely impact our revenue and reputation.

There are also doctors and other healthcare professionals who are not our employees but are engaged under a medical services agreement. Some of these doctors work only on a part time basis and are engaged in private practice in other hospitals or clinics. Although we have entered into such agreements with these doctors, we cannot assure you that these doctors will not prematurely terminate such agreements. Some of these doctors do not work exclusively with us and are permitted to engage in private practice outside of our business and to work at hospitals that compete with us. There is no assurance that our consultant doctors will continue to provide services to us or devote the whole of their time to our centres. We may, as a result, be unable to effectively utilize their time and expertise in providing services to our customers. These arrangements may also give rise to conflicts of interest, including how these doctors allocate their time and other resources between our centres and other clinics or hospitals at which they work. Such conflicts may prevent us from providing a high quality of service at our centres.

The following table sets forth certain information in relation to the attrition rate of full-time doctors, nurses and other healthcare professionals (comprising paramedics) for the periods indicated:

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	Six months ended September 30, 2021
<b>Doctors – Junior Doctors <sup>(1)</sup></b>				
Number	160	184	183	196
Number of resignations	151	152	133	76
Attrition rate (%)*	94.38%	82.61%	72.68%	38.78%
<b>Nurses</b>				
Number	997	1055	1,137	1,211
Number of resignations	555	602	501	227
Attrition rate (%)*	55.67%	57.06%	44.06%	18.74%
<b>Other healthcare professionals<sup>(2)</sup></b>				
Number	1,052	1,127	1,218	1,349
Number of resignations	431	459	258	163
Attrition rate (%)*	40.97%	40.73%	21.18%	12.08%

Note:

\* Attrition rate = Number of resignations/ Monthly average of headcount for the period

(1) Doctors include full-time doctors on retainer.

(2) Other healthcare professionals include paramedics, administrative and non-nursing staff.

While we seek to mitigate these risks by continuing to attract, engage and train prominent, skilled doctors and other healthcare professionals through cultivating an enabling environment and attractive workplace, there is no assurance that we will continue to be able to do so. Our inability to retain and hire qualified doctors, nurses and other medical professionals may have a material adverse impact on our business, financial condition, results of operations and prospects.

**3. As a healthcare provider, the ongoing impact of the COVID-19 pandemic on our business and operations is uncertain, may be significant and continue to have an adverse effect on our business, operations and our future financial performance.**

Our business has been adversely affected due to the ongoing COVID-19 pandemic, and we are currently unable to predict its near-term or long-term impact on our business. India also experienced a severe second wave of COVID-19 between March 2021 and June 2021, resulting in shortages of medical supplies and equipment and overwhelming the healthcare infrastructure as well as various lockdowns and other restrictions in various parts of India. As a result of the detection of new strains and subsequent waves of COVID-19 infections in several states in India as well as throughout various parts of the world, we may be subject to further lockdowns or other restrictions, which may adversely affect our business operations. While certain lockdown restrictions have since been relaxed, there is no guarantee that there may not be further lockdowns. The scope, duration, and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. In addition, as a provider of healthcare services, we are significantly exposed to the public health and economic effects of the COVID-19 pandemic.

The impact of the COVID-19 pandemic on our business, operations and financial performance include, but are not limited to:

- reduction in our customer count in paediatrics, elective gynaecology and fertility decreased;

- decrease in revenues and increase in our cost of operations due to various directives issued by certain government bodies/ local regulatory agencies and/or courts including, among other things, mandatory bed allocations, provision of separate rooms for COVID-19 infected mothers, provision of separate accommodations for COVID-19 infected staffs and other government-imposed price caps on the treatment costs in private hospitals in states across India to ensure that healthcare remains affordable, as well as government-imposed mandates to invest in COVID-19 infrastructure such as oxygen plants, which may affect future capital expenditure plans. Several states by circulars and notifications instructed the clinical establishments to dedicate beds and rooms for the treatment of COVID-19 patients. For instance, Office of Karnataka Government Secretariat by notification no. HFW 228 ACS 2020 dated June 23, 2020 mandated the reservation of 50% of beds in private hospitals for COVID-19 patients. Similarly, the Director of Medical and Rural Health Services, Chennai by notification no. 7784/CEA1/2020 dated October 8, 2020, instructed all clinical establishments to dedicate beds for COVID-19 patients. In the event that we are unable to comply with such government mandates related to COVID-19, we may be subject to regulatory action and penalties that could adversely affect our business, reputation, results of operation and financial condition;
- delay or postponement of our expansion plans to set up new centres due to administrative delays, work-from-home measures and other restrictions as a result of the COVID-19 pandemic. Due to these restrictions, the completion of setting up our new centres in Gurgaon, Chennai, New Delhi have been delayed;
- any inability in the future to access to debt and equity capital on acceptable terms, or at all, due to volatility in the financial markets, and any inability to comply with the financial covenants with respect to our borrowings which may in the short or medium term lead to event of defaults under our financing arrangements;
- delay in renewal or obtaining the necessary registrations, approvals, licenses and permits from statutory/ regulatory authorities in a timely manner;
- restrictions on movement of people and necessary materials required for our business operations as well as risk of contracting COVID-19 by doctors, nurses and other healthcare professionals working at our centres;
- increased costs to ensure the safety of our workforce and continuity of operations while conforming to the measures implemented by various governments, including higher costs for procuring, among others, disinfectants, hand sanitizers, personal protection equipment (“PPE”) kits and other such short supply items, and cost of treatment of our doctors, nurses, other employees and contractors who have contracted COVID-19; and
- delays in collection from insurance companies due to nationwide lockdowns and work-from-home policies.

While we experienced a decrease in our customer count in paediatrics, elective gynaecology and fertility during such periods, we did not experience any significant decline in our financial performance in Fiscal 2021 or in the six months ended September 30, 2021. We recorded a revenue from operations of ₹ 4,181.82 million, ₹ 5,163.04 million, ₹ 5,545.86 million and ₹ 2,602.60 million and ₹ 3,716.47 million in Fiscal 2019, 2020 and 2021, and the six months ended September 30, 2020 and September 30, 2021, respectively. Also, see “*Our Business — Impact of COVID-19*” on page 170 and for a more detailed discussion on our financial performance, please see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations — Fiscal 2021 compared to Fiscal 2020*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations — Six Months ended September 30, 2021 compared to Six Months ended September 30, 2020*” on pages 294 and 289, respectively.

Further, we have accumulated deficit in retained earnings in Fiscal 2019, 2020 and 2021, as at September 30, 2020 and as at September 30, 2021, of ₹ 2,493.88 million, ₹ 2,579.34 million, ₹ 2,929.71 million, ₹ 2,762.36 million and ₹ 3,029.48 million, respectively. We are in the stabilisation phase and our ability to continue as a going concern is based on establishing profitable operations and obtaining continuing financial support from its investors. We have also taken various cost and profit optimization initiatives in the succeeding period, which will further improve operating cash flows and generate operating profit in the future. Our management has also estimated our future cash flows with the possible effects that may result from the COVID-19 pandemic and we believe we will be able to realise our assets and meet our liabilities as and when they fall

due. We have considered the possible effects that may result from the COVID-19 pandemic on the carrying value of assets including property, plant and equipment, intangible assets, investments, receivables and deferred tax assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, we, as at the date of the approval of the respective financial statements have used internal and external sources of information to assess our expected future performance. We have also performed sensitivity analysis on the assumptions used and based on the current estimates, expect that the carrying amount of these assets, as reflected in the respective financial statements are fully recoverable. For further information, please see “ – Our statutory auditors have provided a matter of emphasis relating to the impact of COVID-19.” on page 51.

Given the uncertainty relating to the severity of the near-term and long-term adverse impact of the COVID-19 pandemic on the global and national economy and financial markets, we may be unable to accurately predict the near-term or long-term impact of the COVID-19 pandemic on our business, but remain subject to a risk that it could have a material adverse impact on our business prospects and financial performance.

In addition, a pandemic, epidemic, outbreak of an infectious disease or other public health crisis, including the COVID-19 pandemic, could diminish the public trust in healthcare facilities, especially hospitals that fail to accurately or timely diagnose, or are treating (or have treated) patients affected by infectious diseases. If any of our facilities were involved, or perceived as being involved, in treating patients from such an infectious disease, customers might cancel elective procedures or fail to seek needed care at our facilities. While we have built and implemented protocols for COVID-19 and will continue to use all disaster manual protocols we have created in the future, the potential emergence of a pandemic, epidemic or outbreak is difficult to predict and may have a material adverse impact on our business, financial condition, results of operations and prospects.

**4. *Our business depends on the strength of our brand and reputation. Failure to maintain and enhance our brand and reputation, and any negative publicity and allegations in the media against us, even if untrue, may adversely affect the brand, reputation and trust in, our services, which could result in a material adverse impact on our business, financial condition, results of operations and prospects.***

We believe that our brand and reputation are critical to our success. Many factors, some of which are beyond our control, are important to maintain and enhance our brand and may negatively impact our brand and reputation if not properly managed, such as our ability to:

- maintain a bespoke and quality customer experience as customer preferences evolve and as we expand our presence in existing and nascent markets;
- effectively control the quality of service in our centres, maintain clinical excellence and to monitor their performance as we continue to expand our network;
- increase brand awareness among existing and potential customers through various means of marketing and promotional activities, and maintain our reputation through word-of-mouth;
- adopt new technologies or adapt our technology and systems, including our customer mobile applications, e-commerce websites, and online community platforms, to user requirements or emerging industry standards in order to maintain our customer experience; and
- maintain and renew existing accreditations or to apply for additional accreditations as we expand our network.

Regardless of their validity, negative publicity arising from such claims may adversely impact the number of mothers visiting our healthcare facilities and the revenue therefrom. Despite our efforts to manage and supervise healthcare professionals in our centres, they may fail to meet our requirements and their contractual obligations with us for reasons beyond our control. They may misrepresent their qualifications, may not possess the permits or qualifications required by the relevant laws and regulations at all times, or they may fail to meet other regulatory requirements for their operations. We could also be the subject of complaints from customers who are dissatisfied with the quality and cost of our services. We do not have complete control over the actions of our healthcare professionals. Our brand and reputation may be adversely impacted if our healthcare professionals engage in medical malpractice or receive complaints from customers, violate our internal protocols, government laws or regulations, commit fraud or misappropriate funds, harm a customer or mishandle personal healthcare information in breach of our internal protocols, in addition to any impact that such development would have on our business, financial condition, results of operations and prospects.

Further, our brand promotion efforts may fail to effectively promote our brand or generate additional revenue. Our failure to maintain and enhance our brand and reputation may materially and adversely affect the level of market recognition of, and trust in, our services. This could materially and adversely affect our business, financial condition, results of operations and prospects.

In Fiscal 2019, 2020, and 2021, and the six months ended September 30, 2020 and September 30, 2021, our advertising and sales promotion was ₹ 104.91 million, ₹ 78.05 million, ₹ 47.08 million, ₹ 14.42 million and ₹ 32.96 million, respectively, which represented 2.09%, 1.39%, 0.78%, 0.51% and 0.86% of our total expenses, respectively, in such periods.

**5. *We may face challenges in further expanding our operations in cities we currently operate in or in other cities that we strategically intend to commence operations, which could have an adverse effect on our business prospects and future financial performance.***

We currently operate 23 single specialty centres across six states and one union territory in India, primarily concentrated in metropolitan cities. Our registered office is located in one of our centres in Bengaluru and we also have one corporate office and 37 nursing hostels across India. For details, see “*Our Business – Properties*” on page 179. We have been growing and expanding since we established our first centre in Bengaluru in 2007. We continue to follow a cluster-based growth strategy of increasing the density of our centres in a particular city or region, as well as strategically expand into high growth potential metros and cities to expand our operations in various parts of India.

While we conduct necessary due diligence, research and assessments for our expansion plans, we may face risks with respect to commencement of operations in new cities in which we have no prior operating experience and therefore are less familiar with local socio-economic conditions, culture and customer expectations. For instance, our offer proceeds will be used in the setting up of new centres at various locations in India, in which we may have limited or no prior experience operating in. For more details, see “*Objects of the Offer*” on page 97. Factors such as labour availability and supply chain, floods, natural disasters and such acts of nature can result in delays. As a result, understanding the demands of and marketing to these new communities require additional attention from our management and costs, and we cannot assure you that these new centres will perform well in the future. If we are unable to identify suitable sites, facilities, medical equipment, healthcare professionals and personnel for reasons beyond our control, or are unable to enter into necessary arrangements at commercially acceptable terms, our growth strategy may be impacted.

We may also face difficulty or delays in obtaining necessary regulatory approvals for our centres in a timely manner. We may receive lower demand for our services in these new markets than anticipated. In addition, our competitors may already have established operations in such cities and regions and have stronger brand recall than us in these markets, and we may find it difficult to attract customers in such new cities and regions. We may not be able to successfully manage the risks of such an expansion, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

**6. *The failure to identify, understand and adapt to rapidly evolving technological advancements related to our medical equipment and technology could adversely affect our business prospects and financial performance.***

We use sophisticated and expensive medical equipment in our centres to provide our services. Advancements in modern medicine are driven in large part by technological advancements and developments. The technology, devices and equipment used in hospitals and care units are fast and constantly evolving and, as a result, manufacturers and distributors continue to offer new and upgraded products to healthcare providers such as us on an ongoing basis. As industry standards evolve, we may be required to enhance and develop our internal processes, procedures and training, as well as medical equipment, from time to time, in order to comply with the standards required for operating in this industry, and in order to maintain the accreditations that our healthcare facilities have received. To provide our customers with the best care and compete effectively, we must continually assess our technology and equipment needs. In particular, our specialty facilities require continuous upgrades and new technological advancements may render our existing equipment obsolete, and cost constraints may impact our ability to access latest technologically advanced equipment. Consequently, our reputation as a quality healthcare provider could suffer.

Our success in the future will depend significantly on our ability to take advantage of and adapt to technological developments to compete with other healthcare services providers in the maternity and childcare industry. We may have to make considerable expenditures in the acquisition of the latest generation equipment to maintain our

level of competitiveness. We may have to identify sources of funding on favourable terms for the acquisition of our equipment generally. Such cost increases may adversely affect our business and results of operations, since we may not be able to pass these cost increases to our customers. As of March 31, 2019, 2020 and 2021, September 30, 2020 and September 30, 2021, medical equipment and accessory amounted to ₹ 568.71 million, ₹ 562.15 million, ₹ 597.45 million, ₹ 580.37 million, and ₹ 667.14 million, respectively, representing 21.95%, 23.72%, 25.49%, 24.37%, and 27.54% respectively, of our property, plant and equipment.

We have also invested significantly in digital technology, such as the remote e-NICU and digital applications for doctors. In Fiscal 2019, 2020 and 2021 and the six months ended September 30, 2020 and September 30, 2021, our software expenses was ₹ 40.86 million, ₹ 48.29 million, ₹ 61.04 million, ₹ 24.96 million and ₹ 38.60 million, respectively, which constituted 0.81%, 0.86%, 1.02%, 0.88%, and 1.00%, respectively, of our total expenses in such periods. We cannot assure you that we will be able to generate returns to offset the cost of our investments in digital technology. Further, our failure to understand, anticipate or respond adequately to evolving medical technologies, market demands, or mother and child healthcare requirements may cause adverse effects on our business and reduce our competitiveness and market share.

Furthermore, as industry standards evolve, we may be required to enhance and develop our internal processes, procedures and training, as well as equipment, to comply with such standards and maintain the accreditations that our healthcare facilities have received. There is no assurance that we will have sufficient funds to continually invest in such equipment and facilities or access to the latest technology on a timely basis, or at all, or that our prevailing systems may not be sufficiently robust to capture or adapt to the latest changes and updates. While we seek to mitigate against such risks by keeping abreast of and evaluating the latest medical equipment and technological advancements through our supply chain management team and upgrading our medical equipment, there is no assurance that we will be successful in doing so. Moreover, our agreements with vendors typically provide for the associated software to be updated periodically for advanced medical equipment. In the event that we cannot keep up to date with the current trends and needs of the healthcare industry, our facilities may lose their competitiveness and market share, which may adversely affect our revenue, and have a material adverse impact on our business, financial condition, results of operations and prospects.

**7. *If we fail to achieve favourable pricing from our suppliers or vendors, fail to negotiate favourable terms with our doctors, or fail to pass on any cost increases to the customers, our business, financial condition and profitability may be adversely impacted.***

We operate in an industry with high expenses including professional fees to consultant doctors, electricity, housekeeping expenses, information technology, medical consumables, cost of pharmaceuticals and medical equipment. Maintenance of highly specialized medical equipment for maternity and childcare involves recurring substantial costs. Our profitability is also affected by our ability to achieve favourable pricing from our suppliers, including through negotiations for supplier rebates. As these supplier negotiations are continuous and reflect the ongoing competitive environment, the variability in timing and amount of incremental supplier discounts and rebates can affect our profitability. Further, such increased costs may negatively impact our ability to deliver quality care to our customers at competitive prices.

Some of our key expenses include professional fees to consultant doctors, cost of materials consumed, employee benefits expense and housekeeping expenses. The following table depicts our key expenses as a percentage of our total expenses for Fiscal 2019, 2020, 2021, and the six months ended September 30, 2020 and September 30, 2021.

Particular	Fiscal						For the six months ended September 30,			
	2019		2020		2021		2020		2021	
	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expenses
Professional Fees to Consultant Doctors	1,367.56	27.19%	1,637.32	29.12%	1,677.57	27.91%	785.56	27.55%	1,012.23	26.27%
Employee benefits expense	888.44	17.66%	1,010.85	17.98%	1,121.58	18.66%	568.99	19.96%	647.86	16.81%
Cost of materials consumed	328.19	6.52%	386.60	6.87%	493.96	8.22%	248.45	8.71%	552.67	14.34%
Housekeeping expenses	132.94	2.64%	154.32	2.74%	159.61	2.66%	78.15	2.74%	88.91	2.31%

Particular	Fiscal									
	2019		2020		2021		For the six months ended September 30,			
	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expenses
Total expenses	5,030.51	100.00%	5,623.35	100.00%	6,009.80	100.00%	2,851.06	100.00%	3,853.00	100.00%

If we are unable to adopt alternative means to deliver value to our customers or fail to pass on cost increases to the customers, our profitability could be materially and adversely affected. If we experience an increase in costs, or if we are not able to grow our revenue in line with our costs, our profitability would be severely impacted, particularly during a period of economic decline or in the event of a reduction in our revenues, which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

**8. *Failure or malfunction of our medical or other equipment, could adversely affect our ability to conduct our operations. We may also experience ambulance related risks.***

Our operations are subject to risks inherent in the use of advanced medical equipment, some of which deal with radioactive substances. Any failure, accident, defects, faulty maintenance or repair, or improper use or lack of timely servicing of our equipment, or inability to maintain appropriate temperature and customer environment at our facilities, either beyond our control or otherwise, may result in an injury to our employees or customers or other individuals. Any significant malfunction or breakdown of our equipment also may entail significant repair and maintenance costs and cause disruptions in our operations. While we follow stringent protocols relating to maintenance and use of our medical equipment, any injury resulting from malfunction or improper usage of such equipment due to defects, accident or improper maintenance or operation could subject us to significant liability claims.

While we seek to mitigate against such risks by covering our high-end or critical equipment under a comprehensive annual maintenance contract, having back-up or stand-by equipment, following preventive maintenance schedule, conducting mandatory training programs and department specific trainings in relation to health and safety, and sending event-based memos and guidelines to employees, there is no assurance that we will be successful in doing so. For further information, please see “*Our Business – Health, Safety and Environmental*” on page 178. Any inability to respond to failures or malfunctions of our medical or other equipment in a timely manner or at an acceptable cost could result in harm to our employees and customers, the inability to provide services, or damage to our reputation, any of which could have a material adverse impact on our business, financial condition, results of operations and prospects.

Because of the high costs of such medical equipment, we may not maintain back-up equipment, face the difficulty of the unavailability of spare parts and servicing, or experience equipment obsolescence. Therefore, even though we generally obtain warranties for our equipment, if such equipment is damaged or breaks down, our ability to provide services to our customers may be impaired, which could adversely affect our business.

We may also experience ambulance-related risks, such as mechanical breakdowns of the ambulance vehicle, or accidents while on the road, which can severely impede our ability to provide prompt services to customers in urgent need of our ambulance services. As of September 30, 2021, we owned 23 ambulances and engaged 69 ambulance drivers. While we provide routine maintenance of our ambulance vehicles and offer driver’s safety training for our in-house ambulance drivers, we cannot assure you that such ambulance-related risks will not occur. This may adversely affect our quality of services, business, reputation, and results of operation.

**9. *Our new centres may experience delays in construction, development and completion, and may not achieve the synergies and other benefits we expect from such new centres.***

We may experience delays in the planning, construction, development and completion of the new centres we intend to set up. We intend to set up seven new centres in across India, which are expected to become operational by Fiscal 2023. For further details, see “*Our Business – Our Centres*” and “*Object of the Offer – Setting up new centres at various locations*” on pages 173 and 103.

These new centres entail certain risks, some of which are outside our control. For example, when setting up a new facility, we enter into agreements with third parties such as real estate developers and contractors, to design and construct our centres in accordance with our specifications and quality standards and under the time frames that we provide. We cannot assure you that these third parties will not breach or terminate their agreements with us, or that these agreements will not be re-negotiated and re-entered into on commercially less favourable terms for

us. The timing and quality of construction of the centres also depends on the availability and skill of these third parties, as well as contingencies affecting them, including equipment, labour and raw material shortages and industrial actions such as strikes and lockouts. We may not be able to identify or outsource appropriately experienced third parties and cannot assure you that skilled third parties will continue to be available at reasonable rates in the areas in which we set up our centres, or at all. We may also have limited control over the timing or quality of services and sophisticated machinery, or supplies provided by such third parties, which can lead to time and cost overruns adversely affecting our business, financial condition and results of operations.

In addition, the setting up of such new centres will require several authorizations and approvals from various levels of governmental authorities. While we track our applications for government approvals, these approval processes can be lengthy, and there can be no assurance that we will receive the requisite approvals in a timely manner, or at all. Further, some of these approvals are dependent on the receipt of hospital registration certificate and there can be no assurance that we will receive the hospital registration certificate in a timely manner. In addition, setting up new centres can be capital intensive, and we may require external financing to complete such centres, which may not be available or may be available at costs higher than expected. We also may be subjected to unforeseen natural disasters that may lead to delays.

If our third-party counterparties are unable to perform their contracts in a time bound manner or there are any delays in completing construction work within the specifications, quality standards and time frames specified by us, at the estimated cost, or at all, we may be required to incur additional cost or time to set up such centres to appropriate quality standards in a manner consistent with our development objective, which could result in additional costs and losses which we may not be able to recover from the relevant contractor. We may also be subject to changes in the foreign exchange and fluctuating commodity prices when dealing with our third-party suppliers. Furthermore, services rendered by our contractors may not be satisfactory or address our requirements, and we may not receive requisite approvals in connection with the establishment of such new centres. We may also have limited access to the required funding for the establishment of these new centres. Any of the foregoing may have a material adverse impact on our business, financial condition, results of operations and prospects.

Upon completion of our new centres, we may not achieve the operating levels we expect and we may not achieve our targeted return on investments on, or benefits from, such additional centres. We may experience additional risks with respect to the efficiency of our operational capacity including the failure to realize expected synergies and cost savings for reasons such as unprecedented difficulties arising from coordinating and consolidating corporate and administrative functions, including the integration of internal controls and procedures such as timely financial reporting; challenges to recruiting and retaining doctors, nurses and other healthcare professionals at existing and new centres; and unforeseen legal, regulatory, contractual, labour or other issues.

If we are unable to manage the growth of our business or successfully commence operations of, or integrate, our newly established centres, our reputation and ability to compete effectively could be impaired, which would have a material adverse impact on our business, financial condition, results of operations and prospects.

**10. *All of our offices and our centres are located on leased premises or premises on a leave and license basis. Any termination, or inability to renew or inability to terminate our agreements, or breach of our agreements by the counterparty, for our offices or centres may lead to disruptions in our operations and affect our business operations.***

Our 23 centres including our registered office, 37 hostels and one corporate office are located in premises that are either under leave and license agreements or leased from third parties. However, our centre located at Malleswaram, Bengaluru, is a joint development project and therefore partly owned by us. The term of the lease or license of our centres typically range between 11 months and 20 years. The term of lease of our registered office which is located in our centre at Jayanagar, Bengaluru is for ten years and the term of lease of our corporate office is for nine years and ten months. Such lease agreements can be renewed at the end of their respective periods depending on whether the terms of the renewal have been agreed between us and our lessors. For further details, see “Our Business – Our Centres” and “Our Business – Our Properties” on pages 173 and 179.

Our use of the licensed or leased premises under such lease or leave and license agreements is required to comply with the terms and conditions of such lease agreement. Some of our lease agreements may include onerous conditions, such as non-entitlement to terminate the agreement for a fixed period unless there was a breach or force majeure circumstances or payment of penal interest in case of default of payment of rent. Further, the lessors or licensors may terminate such lease or leave and license agreements in the event of a breach of the terms of such agreements, including any delay in payment or non-payment of rent. There can be no assurance that we will be able to renew such lease or leave and license agreements on commercially acceptable terms, or at all, that our



lessors or licensors may not breach the terms of our lease agreements or that we may be able to terminate such agreements. For instance, we previously terminated a three-year old lease agreement in mid-2020 on the grounds of breach of obligation by the owner of the property. This resulted in a delay of several months for the construction of our new centre on those premises. We have also sought to terminate a lease agreement of ours prior to the expiry of the agreement to move our centres to a more commercially profitable location, which required us to write-off the pre-closing of the lease agreement. Further, we may encounter unforeseen problems with the premises and its condition, or enter into disputes with our lessors regarding the maintenance of the premises and other related issues. Further, we will have to apply for new licences and intimate the respective authorities regarding the change of address and there can be no assurance that we will get the new licences and approvals in a timely manner.

In case of any deficiency in the title of the owners from whose premises we operate, breach of the contractual terms of any lease, leave and license agreements, or if any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, or if they terminate our agreements, we may suffer a disruption in our operations and will have to look for alternate premises. It may not be practicable to effectively relocate our centres in a timely manner or at acceptable terms, if at all, and, even if we are able to relocate our centres to another premises in a new location, there can be no assurance that we will be able to retain all our customers at such centres or otherwise sustain the same level of operations or revenue contribution from such centres subsequent to their relocation. Our inability to renew lease agreements or the renewal of such agreements on commercially favourable terms may lead to disruptions to our business and have a material adverse impact on our financial condition and results of operations.

An instrument not duly stamped, or insufficiently stamped, is not admitted as evidence in any Indian court or may even attract a penalty as prescribed under applicable law, which could adversely affect our business, cash flows, results of operations and financial condition.

**11. *We are subject to risks associated to rolling out new offerings and may not successfully implement our new business models.***

In the past few years, we have introduced new business models such as the e-NICU, and new business segments such as our e-commerce platform, momeaze. While foraying into new offerings, we may not have adequate experience in the relevant markets and business segments. For instance, we initially had no prior experience in implementing and scaling the digital infrastructures for our e-NICU model. We may lack the resources, logistics, or requisite skill sets to implement and manage these new business models and offerings in a cost-efficient and profitable manner due to inaccurate estimates or other unexpected challenges. In addition, the development of some of the new business models may involve significant upfront investments and its failure may result in our inability to recoup some or all of these investments. We may also be unable to predict the preferences of our customers or effectively identify the market needs of the maternity and fertility industry. We may be subject to additional laws, regulations and practices, including uncertainties associated with changes in law, as a result of our forays into new business segments and models. We cannot assure you that our expansion into new businesses or introduction of new product lines will be profitable or that we will successfully recoup our costs of investments.

**12. *Compliance with applicable safety, health and environmental regulations may be costly and adversely affect our competitive position and results of operations. Regulatory reforms in the healthcare industry and associated uncertainty may adversely affect our business, results of operations and financial condition.***

The healthcare industry in India, especially maternity and childcare, is highly regulated by such extensive acts, regulations and rules formulated by the Central and State Governments that any change in those acts, regulations and rules would have a direct impact on our business. We are required to comply to several rules, codes and standards enumerated under various statutes and even expose ourselves to the risk of losing the permission to operate our business in case of any non-compliance to the applicable statutory laws. While we have not been subject to any material instances of regulatory action in the past, we cannot assure you that this will continue to be the case in the future. See “Key Industry Regulations and Policies” on page 180. There is no assurance that legislative and regulatory changes in the methods and standards used by the government agencies to reimburse and regulate the operation of hospitals will not result in limitations and reductions in levels of payments to us for certain services and have a material adverse impact on our business, financial condition, results of operations and prospects.

Health and safety laws and regulations in India have become increasingly stringent over time, and it is possible that they will become more stringent in the future. For instance, the Bio-Medical Waste Rules, 2016 require mandatory authorization and annual reporting requirements for all establishments handling bio-medical waste. In the fertility business, the Assisted Reproductive Technology (Regulation) Act, 2021 which received the assent of the President on December 18, 2021, prescribes registration requirements for clinics providing assisted reproductive services, imposes additional obligations on fertility clinics which provides counselling to individuals opting for such procedures, specifies duties for clinics using human gametes and embryos, and mandates record keeping obligations and stricter compliance norms with respect to procedures being carried out. It also prescribes penalties, both in the form of fine and imprisonment which may be levied on our doctors and our Company. Further, the Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994, the Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994 (“**PNDT Act**”), Medical Termination of Pregnancy Act, 1971 (“**MTP Act**”) and the rules thereunder and Clinical Establishment (Registration and Regulations Act), 2010 (“**Clinical Establishment Act**”) has been enacted with an intention to regulate the maternity and child health care Industry.

The PCNDT Act and PNDT Act prohibit sex selection, before or after conception, regulate the use of pre-natal diagnostic techniques by restricting their usage for the purposes of detecting genetic or metabolic disorders or chromosomal abnormalities or certain congenital malformations or sex-linked disorders and seek to prevent the misuse of such techniques for the purposes of pre-natal sex determination leading to female foeticide. The PCNDT Act and PNDT Act also make it mandatory for all genetic counselling centres, genetic clinics, genetic laboratories carrying out pre-natal diagnostic techniques, to register with the appropriate authority, failing which penal actions may be taken against them. Hospitals providing pre-natal diagnostic facilities fall within the purview of the PCNDT Act and PNDT Act. Further, the PCNDT Act and PNDT Act prohibit advertisements relating to pre-conception and pre-natal determination of sex and the same is made punishable with a fine and imprisonment.

Similarly, The MTP Act regulates the termination of pregnancies by registered medical practitioners and permits termination of pregnancy only on specific grounds. It stipulates that the medical termination of pregnancies can be carried out only in certain stipulated circumstances by a registered medical practitioner who has the necessary qualification, training and experience in performing such termination and only at a place which has facilities that meet the standards specified in the rules and regulations issued under the MTP Act. Failure to comply with the requirements of Section 7 of the MTP Act is punishable with a fine up to one thousand rupees. Under the Medical Termination of Pregnancy Rules, 2003 framed pursuant to the MTP Act, private clinics can receive their authorisation only if the government is satisfied that termination of pregnancies will be done under safe and hygienic conditions, and the clinic has the requisite infrastructure and instruments in place.

The laws, regulations, policies, guidelines and licensing and accreditation requirements that we are subject to cover many aspects of our business. We may incur substantial costs in order to comply with current or future laws, rules and regulations, and we may face difficulties in maintaining, at all times, full compliance with such laws, regulations, policies and guidelines. These current or future laws, rules and regulations may also impede our operations. Any non-compliance with the applicable laws, rules and regulations may subject us to regulatory action, including penalties and other civil or criminal proceedings, which may materially and adversely affect our business, prospects and reputation.

The qualification and practicing activities of our healthcare professionals are strictly regulated by applicable laws, regulations, policies and guidelines, as well as by applicable codes of professional conduct or ethics. If our health professionals fail to comply with applicable laws, regulations, policies or guidelines, including professional licensing requirements, in breach of our internal protocols, we may be subject to penalties including fines, loss of licenses or restrictions on our healthcare facilities and operations, which could materially and adversely affect our business and reputation.

We are also subject to laws and regulations governing relationships with our employees, in areas such as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees. There is a risk that we may fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. If labour laws become more stringent, it may become difficult for us to maintain flexible human resource policies, discharge employees, or downsize, any of which could have an adverse effect on our business, financial condition, results of operations and cash flows.

We may also be subject to regulatory action as a result of breach of obligations and failure to comply by our third-party suppliers and vendors. For instance, we have entered into a medical services agreement with Karol Bagh Trust. We may not be able to fully control the actions of said Trust and ensure their compliance with the

regulations and policies. Any non-compliance on their part could implicate us and subject us to legal or regulatory action and penalties.

**13. *Our inability to protect or use our intellectual property rights or comply with intellectual property rights of others may have a material adverse effect on our business and reputation.***

We consider our brand and intellectual property to be a valuable asset and we have certain trademarks registered in India. We have 82 registered trademarks under the Trademarks Act under various classes such as class 16, 35,



38, 41, 42, and 44 respectively including our logo cloudnine. We also have six pending applications for registration of trademark names and device/ logo under the Trademark Act, out of which three have been opposed and two have been objected and one advertised. We have obtained a copyright registration for our programme ‘MBA’ from the Registrar of Copyrights in accordance with the Copyright Act 1957. We cannot guarantee that we will be able to successfully obtain such registrations, which may adversely affect our business, financial condition and results of operations. For more details, see “Government and Other Approvals – Intellectual Property” on page 326.

We cannot assure that any future trademark or patent registrations will be issued for our pending or future applications or that any of our current or future trademarks or patents (whether registered or unregistered) will be valid, enforceable, sufficiently broad in scope, provide adequate protection of our intellectual property, or provide us with any competitive advantage. Moreover, even if the applications are approved, third parties may seek to oppose or otherwise challenge these registrations and assert intellectual property claims against us, particularly as we expand our business and the number of healthcare services we offer.

Our failure to register or protect our intellectual property rights may also undermine our brand and result in harm to the growth of our business. If any of our confidential or proprietary information, were to be disclosed or misappropriated, or if a competitor independently developed any such information, our competitive position could be harmed. If any of our unregistered intellectual property are registered in favour of a third-party, we may not be able to claim registered ownership of such intellectual property, and consequently, we may be unable to seek remedies for infringement of those intellectual property by third parties other than relief against passing off by other entities. Our inability to obtain or maintain these registrations may adversely affect our competitive position. The measures we take to protect our intellectual property include relying on Indian laws and initiating legal proceedings, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. For instance, we have in the past issued letters against third parties for the use of business names which are similar-sounding to ours. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights.

Furthermore, our tests and business processes may infringe on the intellectual property rights of others. While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. Furthermore, we cannot be certain that the equipment suppliers, from whom we purchase equipment (including related software to operate such equipment), have all requisite third party consents and licenses for the intellectual property used in the equipment they manufacture. If such claims are raised in the future, these claims could result in costly litigation, divert management’s attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Infringement and other intellectual property claims, regardless of their merit, can be expensive and time-consuming to litigate. Such risks may further increase as we expand our services and the geographic scope of our marketing. Any of the aforementioned event may have a material adverse impact on our business, financial condition, results of operations and prospects.

**14. *Our operations could be impaired by failure of our in-house information technology systems or third-party technology service providers.***

Our IT systems are essential to our day-to-day clinical, administrative and procurement needs and other areas including accounting and financial reporting, billing and collecting accounts; and compliance, clinical systems, medical records and document storage, inventory management, negotiating, pricing and administering managed care contracts and supply contracts; and monitoring quality of care and collecting data on quality measures. These systems are maintained and operated by our IT team and third-party technology service providers. We have invested significantly in these resources, and our ability to continue to use these platforms will depend on ongoing license fees payable and capital expenditure which we may be required to incur from time to time. Our business

will be significantly impacted if there are failures in our IT systems, the maintenance and operation by third-party technology service providers, or if we are unable to negotiate favourable terms with our external technology service providers going forward. Further, we may face the risk of losing or corrupting customer data due to factors beyond our control in relation to our third-party technology service providers, such as faulty transfer of data when we change service providers or the lack of data backup.

Any technical failure that causes an interruption in service or availability of our systems could adversely affect operations or delay the collection of revenue or cause interruptions in our ability to provide services to our customers. Corruption of certain information/ data could also lead to delayed or inaccurate diagnoses in the treatment of customers and could result in damage to the health of our customers. We and our third-party technology service providers may be subject to cyberattacks and other cybersecurity risks and threats, including computer break-ins, phishing, and social engineering. We may be subject to liability as a result of any theft or misuse of personal information stored on our systems including medical data. Although we have implemented network security measures, our servers are vulnerable to computer viruses, hacking, break-ins and similar disruptions from unauthorized tampering, which could result in unauthorized dissemination of sensitive information such as medical data, which could materially and adversely affect our reputation. Any breach of our confidentiality obligations to our customers, including due to data leakages or improper use of such medical information notwithstanding the safeguards that we have implemented, could expose us to fines, potential liabilities and legal proceedings, such as litigation or regulatory proceedings, which would adversely impact our reputation. For instance, an ex-employee of ours was able to access our information management system to amend and cancel customer appointments after the termination of her employment contract. Since the incident, we have instituted measures such as the daily-regeneration of passwords and requiring one-time passwords to access the information management system, and appointing a supervisor for any amendment of appointments. Any of the aforementioned events may have a material adverse impact on our business, financial condition, results of operations and prospects.

Also see “— *We could be exposed to risks relating to the handling of personal information, including medical data.*” on page 43. Compliance with new and evolving privacy and security laws, regulations and requirements may result in increased operating costs and may constrain or require us to alter our business model or operations, which may in turn affect our business, financial condition, results of operations and prospects.

**15. *An inability 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, financial condition, results of operations and cash flows.***

We operate in a heavily-regulated industry and are required to obtain a number of approvals and licenses from governmental and regulatory authorities, for example in relation to the operation of our centres and other medical facilities, procurement and operation of medical equipment, and storage and sale of drugs. For an overview of the applicable regulations and the nature of key approvals and licenses to be obtained, see “*Key Industry Regulations and Policies*” on page 180. While we have obtained the required approvals for our operations, certain approvals for which we have submitted applications are currently pending. For further information, see “*Government and Other Approvals*” on page 323. In addition, we have in the past and may in the future apply for certain additional approvals, including the renewal of approvals which may expire from time to time and approvals required for the expansion or setting up of new medical centres or the introduction of a medical service or procedure, in the ordinary course of business. While we have received some of the licences for our new centres located at Punjabi Bagh, Faridabad and OMR Chennai, certain applications are still pending with the authorities and some are yet to be applied for. Similarly, pursuant to the shift of our facility situated at Shivajinagar, Pune to a new premise within the same vicinity at Senapati Bapat Road, Pune we had to apply for the fresh licences with respect to the change of address. While we have received some of the licences, certain applications are pending with the authorities. For details, see “*Government and Other Approvals - Material approvals or renewals applied for but not received*” on page 324. We cannot give any assurance that we will receive the applied licences, in a timely manner.

There is no assurance that the approvals and licenses that we require will be granted or renewed in a timely manner or at all by the relevant governmental or regulatory authorities, or that the relevant governmental or regulatory authorities grant or renew the approvals and licenses in compliance or accordance with the law. Failure to obtain or renew such approvals and licenses in a timely manner would render our operations non-compliant with applicable laws, and may subject us to penalties by relevant authorities. We may also be prevented from operating the relevant centres or performing certain procedures or treatments with equipment that requires special approvals or licenses, which could adversely impact our business, financial condition, results of operations and cash flows.

We also maintain certain accreditations, including accreditations from the National Accreditation Board for Hospitals and Healthcare Providers (“NABH”) and National Neonatology Forum (“NNF”) for certain of our centres. For details, see “History and Certain Corporate Matters – Awards and Accreditations” on page 191. If we lose current accreditations or fail to renew such accreditations of our centres by NABH or NNF, and other agencies, or if we fail to obtain additional accreditations for our centres or some of the accreditations expire, our reputation, business operations could be adversely affected. Two of the accreditation certificates given by NNF have expired for our centres at Kalyaninagar in Pune and Jayanagar in Bengaluru. We received our accreditation for our centre at T Nagar in Chennai, and intend to apply for the accreditation for our centre in Shivajinagar in Pune, we cannot assure that we will receive those in a timely manner, if at all. Furthermore, in the event certain accreditations are made mandatory under law, our business, financial condition, results of operations and cash flows may be affected as we may not be able to obtain such accreditations in a timely manner, or at all.

Our licenses, approvals and accreditations are subject to periodic renewals, various maintenance and compliance requirements and governmental investigations and reviews, which could be time-consuming and may incur substantial expenditure. If our compliance systems and process are deemed inadequate or fail and such investigations or reviews find any non-compliance or violations, we may suffer brand and reputational harm and become subject to regulatory actions or litigation, which could adversely affect our business, cash flows, operating results or financial position. We may have to pay fines or be subject to other penalties, including the revocation of permits and licenses, and the modification, suspension or discontinuation of our operations. While we have not been subject to any material regulatory actions aforementioned, we cannot assure you that this will continue to be the case in the future. Should such a risk eventuate, this would impose additional operating costs and capital expenditures on us, and adversely affect our reputation. We, our directors, executive officers, doctors and employees may also face criminal charges.

Furthermore, in relation to our centres which are located in buildings which have been leased to us by third parties, certain licenses and approvals are obtained and maintained by the owners of the leased centres. Any failure on the part of the owners of such leased centres to obtain and renew such approvals, may adversely impact the operations at such leased centres.

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

Our business is affected by various challenges currently faced by the Indian healthcare industry, including the provision of quality healthcare in a competitive environment and managing costs at the same time. We face competition from government-owned hospitals, other private hospitals, clinics, hospitals operated by non-profit organizations. Furthermore, 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, cap the margins, fix the price of procedures and diagnostics, 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 services.

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

- general economic conditions which adversely impact the quantum of disposable income that can be allocated for healthcare services;
- temporary requisitioning of the healthcare facilities due to any pandemic such as COVID-19;
- demographic changes, such as the declining birth rate, which could result in proposals to set a price cap on fertility treatments or introduction of childcare subsidies, which could in turn increase demand for our services;
- behavioural change in customers towards family planning and greater participation of women in the workforce which increases the average conception age or decision to have no child or less than two child;
- increase in infertility amongst couples or any medical complications for conception;
- seasonal cycles of illness as a function of varying climate, weather conditions and disease outbreaks; and

- recruitment and retention of qualified healthcare professionals including pay scale of such healthcare professionals such as nurses.

While we seek to mitigate against such risks by taking appropriate actions in response to such changes, there is no assurance that we will be successful in doing so. Any failure by us to effectively address these and other factors could have a material adverse impact on our business, financial condition, results of operations and prospects.

**17. *The birth rate in India may decline, resulting in a decrease in demand for our maternity and childcare services.***

Although the private maternity healthcare market is projected to grow at CAGR of 11% to 12% from Fiscal 2021 to Fiscal 2026 to reach ₹ 261 billion in Fiscal 2026, (*Source: CRISIL Report*). If India's birth rate declines, the maternity and childcare services we provide may receive less demand, and adversely affect our customer volume, revenue, results of operations and financial condition.

**18. *Our insurance coverage may not adequately protect us and this may have an adverse effect on our business and revenues.***

Our existing insurance may not be sufficient to cover all damages, whether foreseeable or not. Further, while we maintain insurance policies including money policy, clinical trial policy, fire and special perils insurance, burglary insurance, management liability (directors' and officers' liability) insurance fidelity floaters policy, fire loss of profit policy, fidelity-floater policy, and workmen compensation and a professional indemnity policy for breach of medical professional duty under all branches of medicine at all our centres as well as general and commercial public liability insurance, there is no certainty that such insurance will be adequate to cover all claims arising from medical negligence or malpractice. Any successful claims against us in excess of the insurance coverage may adversely affect our business, reputation, financial condition, results of operations, cash flows and prospects.

Insurance against losses of this type can be expensive and insurance premiums may increase in the near future. Insurance rates may also vary by specialty and other factors. The rising costs of insurance premiums could have a material adverse effect on our financial position, results of operations and cash flows. Further, we cannot assure you that we will be able to renew our insurance covering all risks at commercially viable terms or at all. There can be no assurance that any claim under the business interruption insurance policy maintained by us will be honoured fully, in part or on time, or that we have obtained sufficient insurance (either in amount or in terms of risks covered) to cover all material losses. We may not be insured for certain types of risks and losses that we may also be subject to, as such risks are either uninsurable or that relevant insurances are not available on commercially acceptable terms. To the extent that we suffer loss or damage for events for which we are not insured or for which our insurance is inadequate, the loss would have to be borne by us, and, as a result, our business, financial condition, results of operations and cash flows could be adversely affected. For further information on our insurance arrangements, see "*Our Business – Insurance*" on page 179.

As of March 31, 2019, 2020 and 2021, September 30, 2020 and September 30, 2021, our total insured assets\* was ₹ 2,592.90 million, ₹ 2,428.19 million, ₹ 2,369.07 million, ₹ 2,404.76 million and ₹ 2,533.48 million. In those same periods, our total insurance coverage was ₹ 2,646.38 million, ₹ 2,705.01 million ₹ 2,625.70 million, ₹ 2,645.64 million, and ₹ 2,646.47 million, which constituted 102.06%, 111.40%, 110.83%, 110.02% and 104.46% of our total insured assets, respectively.

\* Total insured assets includes buildings, leasehold improvements, medical equipment and accessory, other plant & machinery, electrical installation and equipment, office equipment, furniture and fittings, computers, vehicles, stock and cash in hand which are insured.

**19. *Our centres are susceptible to risks arising on account of fire, natural disasters or other incidents.***

Any serious disruption at any of the facilities that we own or invest in due to fire, natural disasters or other accidents, including due to factors outside of our control, could impair our ability to use such facilities, among other negative effects and, accordingly, have a material adverse impact on our revenues and increase our costs and expenses. We store, handle and use certain chemicals, such as alcohol, sanitizers, gases, fuel and other inflammable materials in our centres. In addition, any short circuit of power supply for our equipment and machines including air conditioning plants, power supplies, could result in accidents and fires that could result in injury or death to our employees, our customers, and other persons present at our facilities.

As of the date of this Draft Red Herring Prospectus, our operations have not suffered any major incident of fire, significant acts of vandalism or other accidents, besides the Chennai flood in 2015, where our claim submitted for

the same was ₹ 3.48 million and we received ₹ 2.00 million against that claim as of the date of this Draft Red Herring Prospectus, but we cannot assure you that these incidents will not occur in the future. Our safeguards for prevention, detection and control of fire, as well as our insurance against damage may not adequately cover all losses or liabilities that may arise from our operations, including, but not limited to, when the loss suffered is not easily quantifiable. In addition, incidents such as these typically receive wide media coverage and, as a result, may negatively impact our reputation significantly. While we insure against certain business interruption and other risks such insurance may not adequately compensate us for all direct and indirect losses incurred as a result of natural or other disasters. Any such event may have a material adverse impact on our business, financial condition, results of operations and prospects.

**20. *We rely on third-party suppliers and sub-contractors and we also enter into contracts with third-party payers, third party administrators and insurers that could be terminated. Termination or non-renewal of such contracts could have a material adverse impact on our business, financial condition, results of operations and prospects.***

We source a majority of our medical supplies, pharmaceuticals and equipment for our operations from third-party suppliers. We also outsource various activities, such as cleaning and maintenance services, as well as security services, to sub-contractors. The use of third-party suppliers and sub-contractors exposes us to supply chain bottlenecks, quality problems, reputational damage from their actions, and other potential liabilities or disruptions that may arise in cases where such third-party suppliers and sub-contractors fail to meet their commitments.

Any adverse change in relationship with third-party suppliers and sub-contractors, increases in the cost of their goods and services that we are unable to pass through to our customers, third party administrators or their insurers, or a supplier's or sub-contractor's inability to provide us with the requisite quantity and quality of supplies or services in a timely manner, our business, financial condition and results of operations could be materially adversely affected. While we seek to mitigate against such risks by developing relationships with various third-party suppliers, sub-contractors, payers and insurers in order for us to contract with other third-parties in case of any termination or non-renewal of contract by a particular third party, there is no assurance that we will be successful in doing so. Any commercial disputes with such parties or any inability to renew these contracts on favourable terms or at all, could have a material adverse impact on our business, financial condition, results of operations and prospects.

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

Indian laws, including proposed legislations such as the Personal Data Protection Bill 2019 (“PDP”) where the Joint Committee recently submitted its final report and suggested that the PDP bill would include the protection of non-personal data to ensure better protection of information and draft Digital Information Security in Healthcare Act which are yet to become effective, rules and regulations generally require body corporates/ medical institutions to protect the privacy of their patients, clients, employees/ staff or third party (“**Provider of Information**”) and prohibit unauthorized disclosure of personal information, including medical data. Compliance with new and evolving privacy and security laws, regulations and requirements may result in increased operating costs and may constrain or require us to alter our business model or operations. For details, see “*Key Regulations and Policies in India*” on page 180 of this Draft Red Herring Prospectus. An inability to manage our information systems and data security practices in defending against increasingly sophisticated and unprecedented cyber-attacks, and factors beyond our control such as non-compliance by employees with our internal protocols, may lead to leaks of personal information and sensitive personal data or information, including, medical records, test results, prescriptions and lab records, which could adversely impact our business and damage our reputation. We have taken measures to maintain the confidentiality of Provider of Information, however these measures may not always be effective in protecting sensitive personal information. For instance, an ex-employee of ours was able to access our information management system to amend and cancel customer appointments after the termination of her employment contract. Since the incident, we have instituted measures such as the daily-regeneration of passwords and requiring one-time passwords to access the information management system, and appointing a supervisor for any amendment of appointments. Any breach of our confidentiality obligations to Provider of Information, including due to data leakages or improper use of such medical information notwithstanding the safeguards that we have implemented, could expose us to fines, potential liabilities and legal proceedings, such as litigation or regulatory proceedings, which would adversely impact our reputation. As cyber-attacks and similar events become increasingly sophisticated, we may need to incur additional costs to implement data security and privacy measures, modify or enhance our protective measures or investigate and remediate any vulnerability to cyber incidents.

**22. Delays in receiving payment of outstanding dues from third parties may affect our financial condition and results of operations.**

The primary collection risk of our trade receivables relates to the failure by individual customers, corporate customers and their healthcare insurers to pay in a timely manner and in full for the services that we have provided. Our customers pay for their medical expenses typically either by themselves or through third-party payers, which include state and local government bodies, private and public insurers and corporate entities. We cannot assure you that we will be able to collect the full principle sums from our individual customers, corporate customers or healthcare insurers. Even for those who partially pay their bills, we may not be able to collect their remaining payments in a timely manner, or at all. In addition, we may also face delays from other parties, including other service providers with whom we have revenue sharing arrangements.

The table below sets forth certain information relating to various payment arrangements:

Method of Payment	Fiscal 2019		Fiscal 2020		Fiscal 2021		For the six months ended September 30, 2020		For the six months ended September 30, 2021	
	Amount (₹ million)	% of revenue from customer s*	Amount (₹ million)	% of revenue from customer s*	Amount (₹ million)	% of revenue from customer s*	Amount (₹ million)	% of revenue from customer s*	Amount (₹ million)	% of revenue from customer s*
Non-Insurance/Cash	3,505.06	84.34%	4,274.53	83.39%	4,560.48	83.74%	2,143.55	83.07%	3,073.46	84.80%
Insurance <sup>(1)</sup>	650.77	15.66%	851.41	16.61%	885.51	16.26%	436.93	16.93%	550.87	15.20%
Revenue from Centre Operations	<b>4,155.83</b>	<b>100.00%</b>	<b>5,125.94</b>	<b>100.00%</b>	<b>5,445.99</b>	<b>100.00%</b>	<b>2,580.48</b>	<b>100.00%</b>	<b>3,624.33</b>	<b>100.00%</b>

(1) Includes payment on account of Third Party Administrators and Corporate

\* Calculated based on revenue from centre operations which excludes revenue from COVID-19 vaccines.

The revenue received through third-party payers constitutes a key component of the total revenue from our operations. According to the CRISIL Report, health insurance coverage in India has significantly increased from 17% in Fiscal 2012 to approximately 37% in Fiscal 2020. In India, most health insurance policies cover only inpatient care costs. Consequently, higher out-of-pocket expenses related to healthcare in India may make healthcare unaffordable for lower income households. Due to the lack of viable health insurance policies in India, demand for our medical services may not increase as expected. Additionally, lack of penetration of health insurance in India, may adversely affect our trade receivables if more customers pay out-of-pocket or require us to extend them credit terms. In the ordinary course of our business, we also experience certain delays in receiving payment from third-party payers, public sector undertakings, corporates.

In Fiscals 2019, 2020 and 2021, and the six months ended September 30, 2020 and September 30, 2021, our trade receivables turnover ratio was 56.67, 58.52, 46.99, 22.08, 21.79, respectively. While we seek to mitigate against such risks by periodic review of the outstanding amount, regular follow up with parties for recovery of payments and strengthening collection processes, there is no assurance that we will be successful in doing so. While we take steps to minimise our outstanding dues and receive timely payments from third parties, such as regular follow-ups and proper and complete recording or documentation, we cannot assure you that we will not experience any delays in receiving payment from third-party payers. Any delays in receiving payment of significant outstanding dues from third parties may have a material adverse impact on our business, financial condition, results of operations, cash flows and prospects.

**23. We are dependent on a number of key personnel, including our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, financial condition, results of operations and cash flows.**

Our performance is highly dependent on our senior management and other key personnel to maintain our strategic direction, manage our operations and meet future business challenges that may also arise in relation to our business. The loss of, or inability to attract or retain, such persons could materially and adversely affect our business and financial results. In particular, the services of our senior management and our key management personnel have been integral to our development and business. For further details, see “Our Management” on page 196, respectively.

For instance, our previous chief executive officer resigned in May 2019, while our previous chief digital officer and chief marketing officer resigned in September 2021. If one or more of these individuals or any other member



of our senior management team are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly, which could have a material adverse effect on our business, financial results, results of operations and cash flows. For details in relation to the changes in the key managerial personnel in the last three Fiscals, see “*Our Management – Changes in the Key Managerial Personnel during the last three years*” on page 213. We may take a significant period of time to hire and train replacement personnel when skilled personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting skilled employees that our business requires. If we are unable to hire and train replacement personnel in a timely manner or increase our levels of employee compensation to remain competitive, our business, financial results, results of operations and cash flows may be materially and adversely affected.

**24. *We may be subject to labour unrest, slowdowns and work stoppages, which could affect our reputation, business, financial condition, cash flows and results of operations.***

Healthcare is a manpower-intensive sector and we employ a large number of doctors, staff and other people for providing care to our customers. Furthermore, India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislation that imposes certain financial obligations on employers upon retrenchment. Presently, none of our employees of our centres are unionized. In the event that employees seek to unionize, it may become difficult for us to maintain flexible labour policies, and may increase our costs and adversely affect our business. While we have not experienced any major instance of labour unrest, slowdowns or work stoppages, any disruption in services due to any potential strikes may affect our reputation, business, financial condition, cash flows and results of operations.

**25. *We face competition from other hospitals, pharmacies and other healthcare services providers. Any adverse effects on our competitive position could result in a decline in our business, revenues, profitability and market share.***

The healthcare services business faces a challenge in providing quality healthcare in a competitive environment and managing costs at the same time. The competition for customers among hospitals, pharmacies, clinics and other healthcare service providers in the area of maternity and childcare has intensified in recent years. In some cases, competing hospitals may be more established than some of our centres. Some of the hospitals that we compete with are owned or operated by governmental agencies enjoying certain tax incentives or by private not-for-profit entities supported by endowments and charitable contributions which can finance capital expenditures on a tax-exempt basis, or are hospitals affiliated with medical colleges. Some of these competitors may be more established and have greater financial, personnel and other resources than us, and may also enjoy greater economies of scale. They may therefore be able to provide healthcare services at a lower cost compared to us and exert pricing pressures on us. We may also need to compete with any future healthcare facilities established by our competitors in the cities or areas in which we operate. If we are unable to identify and adapt to changes in customer demands and the specific needs of the communities in which we serve, we may lose our competitive edge over our competitors, which can adversely affect our business, results of operation and market share.

Further, we face competition from other healthcare services providers such as stand-alone laboratories, ob-gyn clinics and fertility clinics. We may also face competition from international healthcare chains which have commenced providing services in India. New or existing competitors, including smaller hospitals, stand-alone clinics and other hospitals, may price their services at a significant discount to our prices, exert pricing pressure on some or all of our services and also compete with us for doctors and other medical professionals. Some of our competitors may also have plans to expand their hospital networks, which may exert further pricing and recruiting pressure on us. If we are forced to reduce the price of our services or are unable to attract customers with our value proposition, our business, revenues, profitability and market share may be adversely affected.

In addition, we compete with other hospital-based pharmacies and stand-alone pharmacies for customers. The competition we face from other healthcare services providers, stand-alone pharmacies and other firms may result in a decline in our revenues, and adversely impact our results of operation and market share.

**26. We rely on financing from banks or financial institutions to carry on our business operations, and inability to obtain additional financing on terms favourable to us or at all could have an adverse impact on our financial condition. If we are unable to raise additional capital, our business and future financial performance could be adversely affected. A downgrade in credit rating could also adversely impact interest costs or access to future borrowings.**

As of December 31, 2021, we had an aggregate consolidated outstanding indebtedness of ₹ 980.44 million. Financial indebtedness refers to current borrowings and non-current borrowings. For further information on our indebtedness and maturities, please see “Financial Indebtedness” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Indebtedness” on pages 276 and 302, respectively. Maturities (current maturities on long term debts) means instalments of non-current borrowings falling due within next 12 months. Our Subsidiary, Acquity Labs, has also taken an unsecured loan taken from Yes Bank. Our existing operations and execution of our business strategy may require substantial capital resources and we may incur additional debt to finance these requirements in the future. However, we may be unable to obtain sufficient financing on terms satisfactory to us, or at all. If interest rates increase it will be more difficult to obtain credit. As a result, our development activities may have to be curtailed or eliminated and our financial results may be adversely affected.

We will continue to incur significant expenditure in maintaining and growing our existing infrastructure. We cannot assure you that we will have sufficient capital for our current operations, any future expansion plans that we may have and our ability to complete such expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any unfavourable change to terms of borrowings may adversely affect our cash flows, results of operations and financial conditions. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, financial condition and cash flows could be adversely affected.

The following table sets forth certain information in relation to our cash ratio, debt service coverage ratio and interest coverage ratio for the years/periods indicated:

Particulars	As of and for the financial year ended March 31,			As of and for the six month ended September 30, 2020	As of and for the six months ended September 30, 2021
	2019	2020	2021		
Cash Ratio <sup>(1)</sup>	0.05	0.03	0.04	0.03	0.10
Debt Service Coverage Ratio <sup>(2)</sup>	0.65	1.16	1.21	1.20	1.67
Interest Service Coverage Ratio <sup>(3)</sup>	0.99	1.91	1.89	1.81	2.40

Note:

(1) Cash ratio is calculated as total cash and cash equivalents and other bank balances divided by total current liabilities.

(2) Debt service coverage ratio is calculated as Restated loss after tax for the period / year plus finance costs and depreciation and amortization expense divided by the sum of finance costs, repayment of borrowings and payment of principal portion of lease liabilities.

(3) Interest service coverage ratio is calculated as Restated loss after tax for the period / year plus finance costs and depreciation and amortization expense divided by finance costs.

Our borrowing costs can also be affected by short and long-term credit ratings assigned by rating organizations. Our debt facilities have been rated “[ICRA]BBB(Positive)/[ICRA]A3+” by ICRA Limited. As of March 31, 2019, 2020 and 2021, September 30, 2020 and September 30, 2021, our cost of borrowings (calculated as sum of interest on borrowings from banks and interest on borrowings from financial institutions divided by total borrowings (i.e. sum of current borrowings and non-current borrowings)) was 11.98%, 10.77%, 10.21%, 5.35% and 3.69%, respectively. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Certain factors that influence our credit ratings may be outside of our control. A decrease in these credit ratings could limit our access to capital markets and increase our borrowing costs, which could materially and adversely affect our financial condition and operating results. However, these ratings are not recommendations to buy, sell or hold securities and prospective investors should make their own decisions.

Our level of indebtedness and debt service obligations could have important consequences, including the following:

- The terms of our existing debt obligations contain numerous financial and other restrictive covenants which, among other things, require us to (i) maintain certain financial ratios; (ii) comply with certain reporting requirements; (iii) restrict any changes in the shareholding pattern and diluting the net worth of our Company; (iv) restrict our ability to approach the capital market for mobilising additional resources either in the form of debt or equity; (v) repayment of loans; (vi) changing the general nature of the business or undertaking any expansion or investing in any other entity; (vii) changing the ownership or control or management including any direct or indirect change in the legal or beneficial ownership or enter into any arrangement whereby its business or operation are managed and controlled directly or indirectly by any person. These restrictions may limit our flexibility in responding to business opportunities, competitive developments and adverse economic or industry conditions. Furthermore, if we do not comply with these obligations, it may cause an event of default, which, if not cured or waived, could require us to repay the indebtedness immediately.
- A breach of the covenants could also result in a variety of adverse consequences, including increase in the interest rate, the termination of the credit facilities in part or full and enforcement of any security provided. A default under one financing document may also trigger cross-defaults under our other financing documents. An event of default, if not cured or waived, could result in the acceleration of all or part of our financial indebtedness or other obligations. While we have not experienced any past instances of non-compliance, if we are unable to comply with any such covenants in the future, our lenders could accelerate the payment of the outstanding principal and interest amount due thereunder, which could have a material adverse effect on our financial condition.
- We may be more vulnerable in the event of downturns in our businesses and to general adverse economic and industry conditions.
- If we have difficulty obtaining additional financing at favourable interest rates, if at all, we may face difficulties in meeting our requirements for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes.
- Any borrowings we may make at variable interest rates leave us vulnerable to increases in interest rates generally. As of December 31, 2021, all of our consolidated indebtedness is subject to variable rates of interest. Interest rate fluctuations can be highly unpredictable and can be further affected by a number of factors, including global economic trends and adverse events in the global financial markets. Our failure to effectively manage our interest rate risk sensitivity could result in increased debt service costs and adversely affect our results of operations.
- We may be required to dedicate a significant portion of our operating cash flow to making periodic principal and interest payments on our debt, thereby limiting our ability to take advantage of significant business opportunities and placing us at a competitive disadvantage compared to healthcare service providers who have relatively less debt. Due to the COVID-19 pandemic, the GoI announced in April 2020 a moratorium facility of six months total to all borrowers in India, during which we availed three months of moratorium in that period with respect to terms loans availed from HDFC Bank Limited.

Further, we have granted security interests over certain of our movable and immovable assets in order to secure our borrowings, and any failure to satisfy our obligations under such borrowings could lead to the forced sale and seizure of such assets, which may adversely affect our business, results of operations and financial condition.

While we have not breached any covenants in the past, there can be no assurance that we will be able to comply with our current financing agreements or continue to access funds, including by way of short-term borrowings, on acceptable terms or at all. While we seek to mitigate against such risks by exploring favourable funding options from banks/financial institutions, there is no assurance that we will be successful in doing so. Any failure to obtain the requisite funds to meet our requirements or expansion or modernization of existing capabilities could result in our inability to effectively compete with other players in the healthcare industry, which could have a material adverse effect on our profitability, cash flows and results of operations.

Further, while we propose to utilize the proceeds from this Offer for repayment/prepayment of certain borrowings availed by us, the ability to repay/prepay such borrowings will be subject to various factors, including receipt of consents for prepayment from the respective lenders, which has been received as of the date of this Draft Red Herring Prospectus. For details, see “*Objects of the Offer*” on page 97.

**27. *We have certain contingent liabilities and commitments that may adversely affect our financial condition.***

As of September 30, 2021, our contingent liabilities that have not been accounted for in our financial statements, as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, were as follows:

Particulars	Amount (₹ million)
Contingent liability towards pending litigations related to disputed dues which has been contested by the company at various forums:	
- Income tax matters	10.29
- Value added tax/Service tax matters	4.96
- Customer related claims	278.23
Bank guarantee, issued against fixed deposit, which are in favour of various government authorities	0.19
<b>Total</b>	<b>293.67</b>

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. For further information on our contingent liabilities as of September 30, 2021 as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, see “*Restated Consolidated Financial Information*” on page 224.

**28. *We have incurred net loss in the past, and we may not be able to achieve or maintain profitability in the future.***

We have in the past incurred, and may in the future incur, net losses. We incurred restated losses after tax of ₹ 654.73 million, ₹ 296.21 million and ₹ 347.08 million for Fiscal 2019, 2020 and 2021, and ₹ 182.96 million and ₹ 98.59 million for the six months ended September 30, 2020 and September 30, 2021, respectively. We cannot assure you that we will be able to generate net profits or continue to generate positive cash flow from operating activities in the future. We expect to continue to make substantial expenditures in the future to develop and expand our business, which may result in us incurring future losses. Our healthcare business is capital intensive and new centres require a gestation period to break even. Our growth strategy may also prove more expensive than we expect, and we may not succeed in growing our revenue at a rate faster than our cost. We may not generate sufficient revenue for various reasons, including increasing competition, challenging macro-economic environment, the ramifications of the COVID-19 pandemic, as well as other risks discussed elsewhere in this prospectus. If we fail to sustain or increase profitability, our business, results of operations and cash flows could be adversely affected.

**29. *We have outstanding litigation against us, and any adverse outcome of which may adversely affect our business, reputation and results of operations.***

There are certain outstanding legal proceedings involving us, which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert our management’s time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could materially adversely affect our reputation, business, financial condition and results of operations.

A summary of outstanding matters set out below includes details of civil proceedings, criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving us, as of the date of this Draft Red Herring Prospectus.

*Litigation involving our Company*

Type of proceeding	Number of cases	Amount, to the extent quantifiable (₹ million)*
Criminal proceedings	1	0.07
Material civil litigation	2	130.21
Actions by statutory or regulatory authorities	Nil	Nil
Direct tax proceedings	2	10.29
Indirect tax proceedings	3	8.97
<b>Total</b>	<b>8</b>	<b>149.54</b>

\* To the extent quantifiable.

For further details, see “*Outstanding Litigation and Material Developments*” on page 320.

Further, as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, we have identified certain contingent liabilities arising out of matters pertaining to certain tax and medical legal matters, see “—*We have certain contingent liabilities and commitments that may adversely affect our financial condition.*” on page 48. For details of our contingent liabilities as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets for Fiscals 2019, 2020, and 2021 and for six months ended on September 30, 2021, see “*Restated Consolidated Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Contingent Liabilities*” beginning on pages 224 and 314.

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

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties. We cannot assure you that we will receive similar terms in our related party transactions in the future. While we believe that all such related party transactions that we have entered into are legitimate business transactions conducted on an arms’ length basis, in compliance with the requirements stipulated in Companies Act, 2013, SEBI Listing Regulations, relevant Accounting Standards and other statutory compliances, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Any further transactions with our related parties could involve conflicts of interest.

While we have not had any conflict of interest in relation to our equity shareholders in the past, we cannot assure you not such conflicts will arise in the future. Further, we cannot assure you that such transactions in the future, individually or in the aggregate, will not have an adverse effect on business and financial results in the future, including because of potential conflicts of interest or otherwise. In Fiscal 2019, 2020 and 2021, and in the six months ended September 30, 2020, and September 30, 2021, the arithmetic aggregate absolute total pre-inter company elimination of such related party transactions was ₹ 80.83 million, ₹ 117.84 million, ₹ 125.54 million, ₹ 62.93 million and ₹ 77.82 million, respectively. The percentage of the arithmetic aggregate absolute total pre-inter company elimination of such related party transactions to our revenue from operations in the same periods was 1.93%, 2.28%, 2.26%, 2.42% and 2.09%, respectively.

For a summary of the related party transactions for the six months ended September 30, 2021, and September 30, 2020, Fiscal 2021, Fiscal 2020, and Fiscal 2019, see “*Summary of the Offer Document – Summary of related party transactions*” on page 23.

**31. *We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements and for expanding the number of centres. We are yet to place orders for such capital expenditure. Further, our proposed capacity expansion plans relating to the establishment of new centres are subject to the risk of unanticipated delays in implementation and cost overruns.***

We intend to utilise a portion of the Net Proceeds for funding capital expenditure for increasing the number by setting up new centres. For details, see “*Objects of the Issue*” on page 97. While we have obtained a certificate from an independent project management consultant, namely, One Evolve Enterprise Private Limited examining and certifying the cost which are proposed to be incurred by the Company towards setting up of centres and other commercial and technical factors, we are yet to finalise locations for such centres and place orders for such construction materials, equipments and other items required to construct such centres. There can be no assurance that we will be able to place orders for such construction materials, equipments and other items, in a timely manner or at all. Further, the costs of such construction materials, equipments and other items may escalate or vary based on external factors which may not be in our control. Additionally, in the event of any delay in placement of such orders, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

Our capital expenditure plans remain subject to the potential problems and uncertainties that construction activities face including cost overruns or delays. Problems that could adversely affect our expansion plans include labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, taxes and duties, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management. There can be no assurance that the proposed construction of new centres will be completed as planned or on schedule, and if they are not completed in a timely manner, or at all, our budgeted costs may be

insufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover such activities, we may not be able to achieve the intended economic benefits of such capital expenditure, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

**32. *Certain of our Directors and Key Managerial Personnel hold Equity Shares in our Company and are therefore interested in our performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Directors and Key Managerial Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses and such interests are to the extent of their, their relatives and their company's shareholding in our Company, payment of dividend or distributions thereon. For the payments that are made by our Company to related parties, see "*Summary of the Offer Document – Summary of related party transactions*" and "*Our Management – Interest of the Directors*" on page 23 and 202 respectively. We cannot assure you that our Directors and Key Managerial Personnel will exercise their rights to the benefit and best interest of our Company. As Shareholders of our Company, our Directors or Key Managerial Personnel, may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders.

**33. *Grants of stock options under our employee stock option plans may result in a charge to our profit and loss account and, to that extent, reduce our profitability and financial condition.***

Our Company, pursuant to the resolutions passed by our Board in its meeting dated April 1, 2013, adopted ESOP Plan 2013, which has been recently amended in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021. For further information, see "*Capital Structure*" on page 82. As on the date of this Draft Red Herring Prospectus, we have granted options under our ESOP Plan 2013, and may in future grant further options or establish other employee stock option schemes or plans, under which eligible employees may participate, subject to the requisite approvals having been obtained. Grants of stock options result in a charge to our statement of profit and loss and reduce, to that extent, our reported profits in future periods. For further details in relation to the ESOP Plans, see "*Capital Structure - Employee Stock Option Scheme*" on page 90.

Our Company follows the fair value method for the accounting of employee compensation cost on options granted, pursuant to which the fair value of options on the date of grant is recognized in our profit and loss statement equal to the product of the number of Equity Shares granted and the fair value as at the date of grant on a straight line basis over the graded vesting period of options, being four years from the date of grant of options.

Under Ind AS, based on share based payments expenses recognized under Ind AS the grant of stock options under ESOPs will result in a charge to our profit and loss account equal to the fair value of options as at the date of grant. The fair value of options will be amortized over the vesting period of these stock options.

**34. *Conflicts of interest may arise out of business ventures in which certain of our Directors are interested.***

As at the date of this Draft Red Herring Prospectus, certain of our Directors have interests in entities that are engaged in businesses similar to ours. For instance, Dr. R Kumar Rajagopal is the director of Kollegal Scanning and Diagnostic Centre Private Limited and a director of Nagarika Generics India Private Limited which are engaged in the businesses which are similar to some of the services offered by us. We cannot assure you that our Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in future. In the event that any conflicts of interest arise, our Directors may make decisions regarding our operations, financial structure or commercial transactions that may not be in our shareholders' best interest. It may also enable a competitor to take advantage of a corporate opportunity at our expense. Such decisions could have a material adverse effect on our business, financial condition, results of operations and prospects. Should we face any such conflicts in the future, there is no guarantee that they will get resolved in our favour.

35. ***We have in this Draft Red Herring Prospectus included certain Non-GAAP Measures and certain other industry measures related to our operations and financial performance. These Non-GAAP Measures and industry measures may vary from any standard methodology that is applicable across the Indian healthcare industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.***

Certain Non-GAAP Measures such as EBITDA, return on net worth, cash ratio, debt service coverage ratio, interest service coverage ratio, and certain other industry measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such Non-GAAP Measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of companies engaged in the Indian healthcare industry, many of which provide such Non-GAAP Measures and other industry related statistical and operational information. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed elsewhere in this Draft Red Herring Prospectus. Other companies may calculate such Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures is not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance.

These Non-GAAP Measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable to the industry and are not measures of operating performance or liquidity defined by generally accepted accounting principles, and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other healthcare providers in India. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Other Financial Information" on pages 279 to 270.

36. ***Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such a purpose.***

We have availed the services of an independent third-party research agency, CRISIL Research, appointed by us pursuant to an engagement letter dated October 26, 2021 entered into with our Company, to prepare an industry report titled "Assessment of Healthcare Delivery Market in India" dated December 2021 (the "**CRISIL Report**"), that has been exclusively commissioned and paid for by us, for purposes of inclusion of such information in this Draft Red Herring Prospectus. A copy of the CRISIL Report shall be available on the website of our Company at <https://www.cloudnecare.com/others/investors> in compliance with the applicable laws. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. While we have taken reasonable care in the reproduction of the information, due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

37. ***Our previous statutory auditors have provided a matter of emphasis relating to the impact of COVID-19.***

Our previous statutory auditors have included the following matters of emphasis in their auditors report on our Consolidated Financial Statements drawing attention to:

***"For six-month period ended September 30, 2020:***

*The management's evaluation of Covid-19 impact on the future business operations and future cash flows of the Group. In view of the uncertain economic conditions, the management's evaluation of the impact on the subsequent periods is highly dependent upon conditions as they evolve.*

***For the year ended March 31, 2021:***

*The management's evaluation of Covid-19 impact on the future business operations and future cash flows of the Group. In view of the uncertain economic conditions, the management's evaluation of the impact on the subsequent periods is highly dependent upon conditions as they evolve.*

***For the year ended March 31, 2020:***

*The management's evaluation of Covid-19 impact on the future business operations and future cash flows of the Group. In view of the uncertain economic conditions, the management's evaluation of the impact on the subsequent periods is highly dependent upon conditions as they evolve."*

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

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

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. Additionally, we have an external party to conduct periodic internal audits and provide its report to the Audit Committee/Board. We are also subjected to periodical audit and inspections by external regulatory and other agencies in the course of application of grants, and the renewal of licences, permits, and accreditations from bodies such as NABH and the NNF. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our equity shares.

Further, our operations are subject to anti-corruption laws and regulations. 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. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

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

**39. *We offer COVID-19 vaccinations and if demand for COVID-19 vaccinations do not increase, we may have to write-off our inventory of COVID-19 vaccines upon their expiry.***

As on December 31, 2021, we carry a COVID-19 vaccine inventory of ₹ 27.96 million, ₹ 0.88 million and ₹ 15.72 million, expiring in February, March, and May 2022, respectively. However, as the GoI introduced free COVID-19 vaccinations in June 2021, offtake of our COVID-19 vaccine inventory reduced substantially. If demand for COVID-19 vaccinations does not increase, if the GoI and local authorities do not approve vaccination for children, and if the shelf life of such vaccines are not extended by manufacturers, we may have to write off the remaining COVID-19 vaccine inventory, which could adversely affect our results of operations, cash flows and financial condition.



**40. *Our Company does not have an identifiable promoter in terms of the Securities and Exchange Board of India Issue of Capital and Disclosure Requirements Regulations (“SEBI ICDR Regulations”) and the Companies Act, 2013.***

Our Company does not have an identifiable promoter in terms of the SEBI ICDR Regulations and the Companies Act 2013. Accordingly, in terms of Regulation 14(1) of the SEBI ICDR Regulations, there is no requirement of minimum promoter’s contribution in this Offer and accordingly, none of the Equity Shares will be locked in for the period prescribed under the SEBI ICDR Regulations in relation to minimum promoter’s contribution. In terms of Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer equity share capital will be locked-in for a period of six months from the date of Allotment, other than as specifically provided under Regulation 17.

Following the lock-in period of six months from the date of Allotment, the pre-Offer shareholders, may sell their shareholding in our Company, depending on market conditions and their investment horizon. Further, any perception by investors that such sales might occur could additionally affect the trading price of the Equity Shares.

**41. *We have issued equity shares during the preceding 12 months at a price, which may be below the Offer Price.***

We have issued equity shares in the last 12 months at a price, which may be lower than the Offer Price. For further information, see “*Capital Structure – Notes to Capital Structure – Share Capital History*” on page 83.

The price at which Equity Shares have been issued by our Company in the immediately preceding 12 months is not indicative of the price at which they will be issued in the Offer or traded on the stock exchanges.

**42. *Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any bank or financial institution, and we have not identified the sites for new centres or entered into definitive agreements in relation to the objects of our Offer, which may affect our business and results of operations.***

We intend to use the Net Proceeds for the purposes described in “*Objects of the Offer*” on page 97 of this Draft Red Herring Prospectus. The objects of the Offer have not been appraised by any bank or financial institution. Whilst a monitoring agency will be appointed, for monitoring utilisation of the Net Proceeds, the proposed utilisation of Net Proceeds is based on current conditions, our business plans and internal management estimates and is subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project and capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

Various risks and uncertainties, such as economic trends and business requirements, competitive landscape, as well as general factors affecting our results of operations, financial condition and access to capital and including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

Further, while we intend to set up new centres on a lease basis, we have not yet identified the properties for setting up of our new centres or entered into definitive agreements to utilise the funds allocated for certain of our objects of the Offer, including the purchase of medical equipment; and our actual expenditure in purchasing such equipment could be higher than our management estimates. As a consequence of any increased costs, our actual deployment of funds may be higher than our management estimates and may cause an additional burden on our finance plans, as a result of which, our business, financial condition, results of operations and cash flows could be materially and adversely impacted.

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

We propose to utilise the Net Proceeds for (i) prepayment or repayment of all or a portion of certain outstanding borrowing available by our Company; (ii) setting up new centres at various locations; (iii) acquisition of further shareholding on our Subsidiary; and (iv) general corporate purposes. For details, see “*Objects of the Offer*” on

page 97. The planned use of the Net Proceeds is based on current conditions and is subject to changes in external circumstances, costs, other financial conditions or business strategies. The deployment of the Net Proceeds is based on management estimates, current circumstances of our business, prevailing market conditions and has not been appraised by any bank, financial institution or other independent party. These estimates may be inaccurate, and we may require additional funds to implement the purposes of the Offer. Accordingly, at this stage, we cannot determine with any certainty if we will require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. Any delay in our schedule of implementation may cause us to incur additional costs. Such time and cost overruns may adversely impact our business, financial condition, results of operations and cash flows. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus without obtaining the Shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations.

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

**44. *Our Company will not receive the entire proceeds from the Offer. Some of our Shareholders are selling shares in the Offer and will receive proceeds as part of the Offer for Sale.***

The Offer comprises a Fresh Offer of up to [●] Equity Shares aggregating up to ₹ 3,000.00 million by our Company and an offer for sale of up to 13,293,514 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. The proceeds from the Offer for Sale will be paid to the Selling Shareholders in proportion to their respective portion of their Offered Shares and our Company will not receive any such proceeds. For further details, see the section entitled "*Objects of the Offer*" and "*Capital Structure*" on pages 97 and 82 respectively.

***Risks Relating to the Equity Shares***

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

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

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

Among other jurisdictions, the United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the government to be reciprocating territories for the purposes of Section 44A of the CPC. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the CPC. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the CPC, and not by proceedings in execution. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the

judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

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

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

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

**47. *Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend in our Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any capital gain realised on the sale of listed Equity Shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax ("STT"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Furthermore, any capital gains realised on the sale of listed Equity Shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short-term capital gains tax in India.

STT is levied both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification) and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months, which are sold using any other platform other than on a recognised stock exchange and on which no STT has been paid, are subject to long term capital gains tax in India. Such long-term capital gains exceeding ₹100,000.00 arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 10.00% (plus applicable surcharge and cess). Further, STT will be levied on and collected by an Indian stock exchange if the equity shares are sold on a stock exchange. With respect to capital gains arising in an off-market sale, long term capital gains are subject to tax at the rate of 10.00% (plus applicable surcharge and cess) without the exemption of ₹100,000.00. Short-term capital gains, arising from the sale of such equity shares on a stock exchange would be subject to tax at the rate of 15.00% (plus applicable surcharge and cess), while short term capital gains arising in an off-market sale would be subject to tax at a higher rate of 40% (plus applicable surcharge and cess) in the case of foreign companies and 30.00% (plus applicable surcharge and cess) in the case of other non-resident taxpayers.

The Finance Act, 2020 ("**Finance Act**"), passed by the Parliament of India stipulates the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act, 2019 amended the Indian Stamp Act, 1899, with effect from July 1, 2020, clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. Under the Finance Act, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders and such taxes will be withheld by the Indian company paying dividends. Additionally, the Finance Act does not require DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after

March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

Further, the Government of India has announced the union budget for the Financial Year 2023, and the Finance Bill, 2022 (“**Finance Bill**”) has been introduced in Lok Sabha on February 1, 2022. The Finance Bill is scheduled to be passed in the ongoing budget session of the Parliament. We cannot predict whether any amendments made pursuant to the Finance Act 2022 would have an adverse effect on our business, financial condition, future cash flows and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

Historically, 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.

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

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

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

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

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

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made similar amendment to the FEMA

Rules. While the term “beneficial owner” is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term “beneficial owner”. The interpretation of “beneficial owner” and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions or at all.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 366.

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

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

**51. *We cannot assure payment of dividends on the Equity Shares in the future. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

We have not declared or paid any cash dividends since our incorporation. For further information, see “*Dividend Policy*” on page 216. Our ability to pay dividends in the future will depend on a number of factors identified in the dividend policy of our Company, liquidity position, profits, capital requirements, financial commitments and financial requirements including business expansion plans, cost of borrowings, other corporate actions and other relevant or material factors considered relevant by our Board, and external factors, such as the state of the economy and capital markets, applicable taxes, regulatory changes and other relevant or material factors considered relevant by our Board. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realisation of a gain on Shareholders’ investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

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

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors’ book entry, or ‘demat’ accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in the Offer and the credit of such Equity Shares to the applicant’s demat account with depository participant could take approximately five Working Days from the Bid/ Offer Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid/ Offer Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors’ ability to dispose of their Equity Shares. There

can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

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

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

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

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

**55. *A third-party could be prevented from acquiring control of us post this Offer, because of anti-takeover provisions under Indian law.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. 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 after completion of the Offer. 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 shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

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

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book building process. This price will be based on numerous factors, as described in the section “Basis for Offer Price” on page 113. This price may not necessarily be indicative of the market price of our Equity Shares after the Offer is completed. You may not be able to re-sell your Equity Shares at or above the Offer price and may as a result lose all or part of your investment.

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

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

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

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

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

**57. *There is no guarantee that our Equity Shares will be listed on the stock exchanges in a timely manner or at all.***

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

In accordance with current regulations and circulars issued of SEBI, our Equity Shares are required to be listed on the stock exchanges within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a

timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

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

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

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

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

Our Restated Consolidated Financial Information for Fiscals 2019, 2020 and 2021, and for the six months ended September 30, 2020 and September 30, 2021, derived from audited FS which are prepared in accordance with Ind AS 34 for financial statements as at and for the six months ended September 30, 2020 and September 30, 2021, and Ind AS for financial statements as at and for the year ended March 31, 2019, 2020 and 2021, and restated in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI).

Ind AS differs from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

**60. *The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the BRLMs is below their respective issue prices.***

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and Selling Shareholders in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under “*Basis for Offer Price*” beginning on page 113 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further details, see “*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs*” on page 332. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial



performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

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

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

The determination of whether or not our Company is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of our Company’s income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Further, our Company’s PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably.

## **External Risks**

**62. *Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations and prospects.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors’ reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the U.S. and several European countries during a part of Fiscals 2008 and 2009 adversely affected market prices in the global securities markets, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of our Equity Shares.

Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our equity shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders’ equity and the price of our Equity Shares.

**63. *The political and economic changes in India may adversely affect our business, financial performance and prospects.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. These external risks include:

- increase in interest rates may adversely affect our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- political instability, resulting from a change in government or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;
- strikes, lock-outs, work stoppages or increased wage demands by employees, suppliers or other service providers;

- civil unrest, acts of violence, terrorist attacks, regional conflicts or war;
- India has experienced natural calamities such as earthquakes, tsunamis, floods and drought in recent years, instability in the financial markets and volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- epidemics or any other public health emergency in India or in countries in the region or globally, including in India's various neighbouring countries;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- downgrading of India's sovereign debt rating by rating agencies; and
- international business practices that may conflict with other customs or legal requirements to which we are subject to, including anti-bribery and anti-corruption laws; being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

If such events should impact the national or any regional economies it may have a material adverse impact on our business, financial condition, results of operations and prospects.

**64. *Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business and results of operations.***

India's sovereign rating is Baa3. Any adverse revisions to India's credit ratings by international rating agencies may adversely affect our ratings, terms on which we are able to finance future capital expenditure or refinance any existing indebtedness. This could have an adverse effect on our business, financial conditions, results of operations and prospects.

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

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

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

The Government of India ("GoI") has recently introduced a new law relating to social security and wages in September 2020, the Code for Social Security (the "**Social Security Code**"). This code will impact overall employee expenses and, in turn, could impact the profitability of our Company. Under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the GoI), of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees' provident fund. The Social Security Code has been published in the Gazette of India. The effective date from which the Social Security Code will be applicable is yet to be notified and the rules are yet to be finalized. The Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making

provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

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

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

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

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

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

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

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

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to

our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or entirely offset any increases in costs with increases in prices for our services. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

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

## SECTION III - INTRODUCTION

### THE OFFER

The following table summarises details of the Offer:

Offer	Up to [•] Equity Shares aggregating up to ₹ [•] million
<i>The Offer consists of:</i>	
Fresh Issue <sup>(1)^</sup>	Up to [•] Equity Shares aggregating up to ₹ 3000.00 million
Offer for Sale <sup>(2)</sup>	Up to 13,293,514 Equity Shares aggregating up to ₹ [•] million
Employee Reservation Portion <sup>(3)</sup>	Up to [•] Equity Shares aggregating up to ₹ [•] million
Net Offer	Up to [•] Equity Shares, aggregating up to ₹ [•] million
<i>Of which</i>	
<b>A. QIB Portion</b> <sup>(4)(5)</sup>	Not less than [•] Equity Shares
<i>Of which:</i>	
Anchor Investor Portion <sup>(5)</sup>	Up to [•] Equity Shares
Balance available for allocation to QIBs other than the Anchor Investor Portion (assuming the Anchor Investor Portion is fully subscribed)	[•] Equity Shares
<i>Of which:</i>	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding Anchor Investor Portion))	[•] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[•] Equity Shares
<b>B. Non-Institutional Category</b> <sup>(4)</sup>	Not more than [•] Equity Shares
<b>C. Retail Category</b> <sup>(4)</sup>	Not more than [•] Equity Shares
<b>Pre-Offer and post-Offer Equity Shares</b>	
Equity Shares outstanding prior to the Offer (prior to conversion of the outstanding CCPS)	14,039,420 Equity Shares
Equity Shares outstanding prior to the Offer (after conversion of the outstanding CCPS)	44,184,150 Equity Shares*
Equity Shares outstanding after the Offer	[•] Equity Shares
<b>Utilisation of Net Proceeds</b>	See “Objects of the Offer” on page 97 for information about the use of the Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

\* Assuming conversion of 15,139,535 outstanding CCPS to a maximum of 30,144,730 Equity Shares.

<sup>^</sup>Our Company and the Selling Shareholders in consultation with the BRLMs, may consider a Pre-IPO Placement of such number of Equity Shares aggregating up to ₹ 600.00 million prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

(1) The Offer has been authorised pursuant to the resolution dated January 31, 2022 passed by the Board and the Fresh Issue has been authorised pursuant to the resolution dated February 1, 2022 passed by the Shareholders.

(2) Each of the Selling Shareholders, severally and not jointly, has authorised and confirmed their respective participation in the Offer for Sale as stated under “- Notes” below. The respective portion of the Offered Shares have been held by the respective Selling Shareholders for a period of at least one year immediately preceding the date of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and the respective Offered Shares arising from conversion of the respective CCPS held by such Selling Shareholders will be eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. The Equity Shares proposed to be offered by the Selling Shareholders may include all or a portion of the Equity Shares which will be issued upon conversion of the CCPS held by them as on date of this DRHP. The conversion of CCPS will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) and Regulation 8 of the SEBI ICDR Regulations. For more details, see “Capital Structure” beginning on page 82. In accordance with Regulation 8(A) of the SEBI ICDR Regulations; (i) Selling Shareholders holding, individually or with persons acting in concert, more than 20% of pre-issue shareholding of the Company (on a fully- diluted basis), shall not exceed more than 50% of their respective pre-issue shareholding (on a fully- diluted basis) and (ii) Selling Shareholders holding, individually or with persons acting in concert, less than 20% of pre-issue shareholding of the Company (on a fully- diluted basis), shall not exceed more than 10% of the pre-issue shareholding of the Company (on a fully- diluted basis). Each of the Selling Shareholders have severally confirmed and approved their respective participation in the Offer for Sale as set out below:

S. No.	Name of Shareholders	Selling Number of Equity Shares offered in the Offer for Sale*	Date of board resolution/authorization letter	Date of consent letter
1.	Dr. R Kishore Kumar	Up to 924,444 Equity Shares	-	January 31, 2022
2.	Scripts 'N' India Private Limited	Up to 928,000 Equity Shares	January 31, 2022	January 31, 2022
3.	True North Fund V LLP	Up to 5,763,392 Equity Shares	January 24, 2022	January 28, 2022
4.	SCI Growth Investments II	Up to 3,506,408 Equity Shares	January 27, 2022	January 28, 2022
5.	Indium V (Mauritius) Holdings Limited	Up to 2,171,270 Equity Shares	January 24, 2022	January 28, 2022

\*May include Equity Shares to be issued pursuant to conversion of CCPS prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) and Regulation 8 of SEBI ICDR Regulations.

(3) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000.00 (net of employee discount), subject to the maximum value of allocation made to such Eligible Employee not exceeding ₹500,000.00 (net of employee discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹ 500,000.00 net of employee discount), shall be added to the Net Offer. Our Company, acting through the IPO Committee, and the Selling Shareholders in consultation with the BRLMs, may offer a discount of up to [•] of the Offer Price to Eligible Employees bidding in the Employee Reservation Portion which shall be announced two Working Days prior to the Bid/Issue Opening Date. For further details, see "Offer Procedure" and "Offer Structure" on pages 347 and 343 respectively.

(4) Subject to valid Bids being received at or above the Offer Price, in the event aggregate demand in the QIB Portion has been met, under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from any other category or categories, as applicable, at the discretion of our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable law. In case of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue prior to the sale of Equity Shares in the Offer for Sale, provided that post satisfaction of the Minimum Subscription, Equity Shares will be Allotted under the Offer for Sale in proportion to the Offered Shares being offered by the Selling Shareholders. For avoidance of doubt, it is hereby clarified that balance Equity Shares of the Fresh Issue (i.e., 10% of the Fresh Issue) will be offered only once the entire portion of the Offered Shares is Allotted in the Offer.

(5) Our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion 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 made to Anchor Investors, which price shall be determined by our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the Book Running Lead Managers. 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 back to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIBs (other than Anchor Investors) in proportion to their Bids. For further details, see "Offer Procedure" on page 347.

For further information, see "Capital Structure", "History and Certain Corporate Matters - Details of Shareholders' agreements and other material agreements" and "Financial Statements" on pages 82, and 194, respectively.

## SUMMARY FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Consolidated Financial Information as at and for the Financial Years ended March 31, 2021, March 31, 2020 and March 31, 2019 and the period ended September 30, 2021 and September 30, 2020.

The summary financial information presented below should be read in conjunction with “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 217 and 279, respectively.

### Summary of restated consolidated statement of assets and liabilities data

(All amounts in ₹ millions, unless otherwise mentioned)

Particulars	As at				
	September 30, 2021	March 31, 2021	September 30, 2020	March 31, 2020	March 31, 2019
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	2,422.23	2,343.53	2,381.53	2,369.81	2,591.08
Right-of-use assets	3,153.20	3,415.96	2,355.65	2,367.45	2,485.44
Capital work-in-progress	375.40	13.12	19.87	95.71	-
Goodwill on consolidation	5.37	5.37	5.37	5.37	5.37
Other Intangible assets	13.44	15.92	18.87	21.55	11.95
Intangible assets under development	-	-	-	-	11.23
Financial assets					
(i) Other financial assets	257.46	332.70	299.88	292.88	183.36
Deferred tax assets (net)	425.58	424.69	424.78	424.52	354.99
Income tax assets (net)	110.11	90.92	109.08	91.56	157.74
Other non-current assets	307.15	48.42	25.57	45.72	28.67
<b>Total non-current assets</b>	<b>7,069.94</b>	<b>6,690.63</b>	<b>5,640.60</b>	<b>5,714.57</b>	<b>5,829.83</b>
<b>Current assets</b>					
Inventories	167.22	80.87	79.80	115.42	59.39
Financial assets					
(i) Investments	85.60	60.48	115.19	15.06	172.06
(ii) Trade receivables	210.55	130.64	130.34	105.39	71.07
(iii) Cash and cash equivalents	143.80	50.69	31.29	30.79	44.26
(iv) Other Bank balances	10.64	-	-	-	-
(v) Loans	6.27	2.50	3.52	3.54	1.81
(vi) Other financial assets	48.62	29.37	38.68	33.94	36.24
Income tax assets (net)	-	-	-	105.52	-
Other current assets	90.13	37.18	52.65	33.00	23.19
<b>Total current assets</b>	<b>762.83</b>	<b>391.73</b>	<b>451.47</b>	<b>442.66</b>	<b>408.02</b>
<b>Total assets</b>	<b>7,832.77</b>	<b>7,082.36</b>	<b>6,092.07</b>	<b>6,157.23</b>	<b>6,237.85</b>

(All amounts in ₹ millions, unless otherwise mentioned)

Particulars	As at				
	September 30, 2021	March 31, 2021	September 30, 2020	March 31, 2020	March 31, 2019
<b>Equity</b>					
Equity share capital	66.93	66.19	65.94	65.94	65.94
Instruments entirely equity in nature	822.35	673.84	673.84	673.84	673.84
Other equity	1,355.44	1,298.24	1,417.54	1,595.31	1,669.88
Equity attributable to owners of the Company	<b>2,244.72</b>	<b>2,038.27</b>	<b>2,157.32</b>	<b>2,335.09</b>	<b>2,409.66</b>
Non-controlling interest	19.72	16.35	13.10	12.09	9.88
<b>Total equity</b>	<b>2,264.44</b>	<b>2,054.62</b>	<b>2,170.42</b>	<b>2,347.18</b>	<b>2,419.54</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Financial liabilities					
(i) Borrowings	635.12	353.10	300.39	357.22	356.28

(All amounts in ₹ millions, unless otherwise mentioned)

Particulars	As at				
	September 30, 2021	March 31, 2021	September 30, 2020	March 31, 2020	March 31, 2019
(ii) Lease liabilities	3,301.69	3,459.15	2,413.37	2,393.36	2,586.90
(iii) Other financial liabilities	6.16	2.21	5.65	5.82	11.95
Provisions	1.63	1.37	1.12	0.95	0.68
<b>Total non-current liabilities</b>	<b>3,944.60</b>	<b>3,815.83</b>	<b>2,720.53</b>	<b>2,757.35</b>	<b>2,955.81</b>
<b>Current Liabilities</b>					
Financial liabilities					
(i) Borrowings	113.87	108.64	189.28	169.66	122.97
(ii) Lease liabilities	325.08	263.17	221.26	185.18	149.48
(iii) Trade payables					
Total outstanding dues of micro enterprises and small enterprises	1.07	0.96	0.33	1.40	0.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	606.55	497.52	473.54	396.64	285.78
(iv) Other financial liabilities	228.10	85.82	67.84	84.97	109.31
Other current liabilities	199.29	124.68	123.73	110.75	109.65
Provisions	149.77	131.12	125.14	104.10	84.33
<b>Total current liabilities</b>	<b>1,623.73</b>	<b>1,211.91</b>	<b>1,201.12</b>	<b>1,052.70</b>	<b>862.50</b>
<b>Total liabilities</b>	<b>5,568.33</b>	<b>5,027.74</b>	<b>3,921.65</b>	<b>3,810.05</b>	<b>3,818.31</b>
<b>Total equity and liabilities</b>	<b>7,832.77</b>	<b>7,082.36</b>	<b>6,092.07</b>	<b>6,157.23</b>	<b>6,237.85</b>



## Summary of restated consolidated statement of profit and loss data

(All amounts in ₹ millions, unless otherwise mentioned)

Particulars	For six months period ended		For the year ended		
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
<b>Income</b>					
Revenue from operations	3,716.47	2,602.60	5,545.86	5,163.04	4,181.82
Other income	39.72	65.83	119.79	96.88	101.90
<b>Total income</b>	<b>3,756.19</b>	<b>2,668.43</b>	<b>5,665.65</b>	<b>5,259.92</b>	<b>4,283.72</b>
<b>Expenses</b>					
Cost of materials consumed	552.67	248.45	493.96	386.60	328.19
Purchase of stock-in-trade	271.63	206.34	467.71	466.45	374.56
Changes in inventory of stock-in-trade	(4.84)	18.35	14.33	(22.06)	0.01
Professional fees to consultant doctors	1,012.23	785.56	1,677.57	1,637.32	1,367.56
Employee benefits expense	647.86	568.99	1,121.58	1,010.85	888.44
Finance costs	264.30	205.15	424.61	420.76	426.43
Depreciation and Amortisation expense	468.69	349.93	724.12	678.01	651.81
Other expenses	640.46	468.29	1,085.92	1,045.42	993.51
<b>Total expenses</b>	<b>3,853.00</b>	<b>2,851.06</b>	<b>6,009.80</b>	<b>5,623.35</b>	<b>5,030.51</b>
<b>Restated loss before tax for the period / year</b>	<b>(96.81)</b>	<b>(182.63)</b>	<b>(344.15)</b>	<b>(363.43)</b>	<b>(746.79)</b>
<b>Tax expense / (credit)</b>					
Current tax	3.56	1.00	3.51	1.53	2.41
Deferred tax	(1.78)	(0.67)	(0.58)	(68.75)	(94.47)
<b>Total tax expense</b>	<b>1.78</b>	<b>0.33</b>	<b>2.93</b>	<b>(67.22)</b>	<b>(92.06)</b>
<b>Restated loss after tax for the period / year</b>	<b>(98.59)</b>	<b>(182.96)</b>	<b>(347.08)</b>	<b>(296.21)</b>	<b>(654.73)</b>
<b>Other comprehensive income</b>					
Items that will not be reclassified to profit or loss					
Remeasurement gains/(losses) on the defined benefit plans	3.08	1.35	1.37	(2.67)	(6.51)
Income tax relating to items that will not be reclassified to profit or loss	(0.89)	(0.40)	(0.40)	0.77	2.03
<b>Restated other comprehensive income / (loss) for the period / year ('OCI')</b>	<b>2.19</b>	<b>0.95</b>	<b>0.97</b>	<b>(1.90)</b>	<b>(4.48)</b>
<b>Restated total comprehensive income / (loss) for the period / year [comprising loss and OCI]</b>	<b>(96.40)</b>	<b>(182.01)</b>	<b>(346.11)</b>	<b>(298.11)</b>	<b>(659.21)</b>
Restated loss after tax for the period / year					
Attributable to:					
Equity holders of the parent	(101.99)	(183.97)	(351.34)	(298.35)	(657.71)
Non-controlling interests	3.40	1.01	4.26	2.14	2.98
Restated other comprehensive income / (loss) for the period / year ('OCI')					
Attributable to:					
Equity holders of the parent	2.22	0.95	0.97	(1.90)	(4.48)
Non-controlling interests	(0.03)	-	-	-	-
Restated total comprehensive income / (loss) for the period / year [comprising loss and OCI]					
Attributable to:					
Equity holders of the parent	(99.77)	(183.02)	(350.37)	(300.25)	(662.19)
Non-controlling interests	3.37	1.01	4.26	2.14	2.98
<b>Earnings/ (Loss) per equity share of ₹ 5/- each (EPS)*</b>					
Basic EPS [₹ per share]	(2.38)	(4.34)	(8.30)	(7.05)	(15.67)

(All amounts in ₹ millions, unless otherwise mentioned)

Particulars	For six months period ended		For the year ended		
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Diluted EPS [₹ per share]	(2.38)	(4.34)	(8.30)	(7.05)	(15.67)

\*Not annualised for six-month period ended September 30, 2020 and September 30, 2021

## Summary of restated consolidated statement of cashflows data

(All amounts in ₹ millions, unless otherwise mentioned)

Particulars	For six months period ended		For the year ended		
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
<b>Cash Flow from operating activities</b>					
<b>Restated loss before tax</b>	(96.81)	(182.63)	(344.15)	(363.43)	(746.79)
<b>Adjustments for</b>					
Depreciation and Amortisation expense	468.69	349.93	724.12	678.01	651.81
Finance costs	264.30	205.15	424.61	420.76	426.43
Interest income on bank deposits	(1.24)	(2.90)	(5.80)	(6.55)	(1.31)
Interest income on income tax refund	-	(7.59)	(9.81)	(0.08)	(0.08)
Interest income on other financial assets at amortised cost	(11.69)	(8.88)	(15.72)	(10.72)	(36.67)
Liabilities no longer required written back	(6.34)	(6.78)	(14.96)	(17.34)	(0.85)
Net gain on sale of current investments	(1.56)	(0.32)	(1.79)	(7.16)	(24.25)
Fair value gain on investments at fair value through profit or loss	(0.07)	(0.14)	(0.42)	(0.06)	(1.89)
(Gain)/loss on disposal of property, plant & equipment (net)	0.83	0.12	3.15	(1.94)	-
Rent concessions on lease rentals on account of COVID-19	-	(26.32)	(36.23)	-	-
Share based payment expense	2.81	5.25	10.84	10.89	4.97
Loss allowances on trade receivables	6.33	1.39	6.00	10.59	15.27
Bad debts written off	0.17	1.07	1.45	0.49	0.25
Capital work in progress written off	0.51	-	-	21.00	-
<b>Operating profit/(loss) before working capital changes</b>	<b>625.93</b>	<b>327.35</b>	<b>741.29</b>	<b>734.46</b>	<b>286.89</b>
<b>Movements in working capital</b>					
Decrease/ (increase) in trade receivables	(86.41)	(27.41)	(32.70)	(45.40)	(10.07)
Decrease/ (increase) in inventories	(86.35)	35.62	34.55	(56.03)	(8.95)
Decrease/ (increase) in loans	(3.77)	0.02	1.04	(1.85)	1.53
Decrease/ (increase) in other financial assets	(39.62)	(2.86)	(19.54)	(7.76)	(47.16)
Decrease/(increase) in other assets	(56.68)	(19.32)	(5.23)	(15.09)	1.44
Increase / (decrease) in trade payables	115.48	82.61	142.90	128.62	27.09
Increase / (decrease) in other financial liabilities	(7.14)	(0.74)	9.84	1.59	40.13
Increase / (decrease) in other liabilities	74.61	11.54	27.91	(0.51)	4.05
Increase / (decrease) in provisions	22.02	22.56	28.81	17.37	12.90
<b>Cash flow from operations</b>	<b>558.07</b>	<b>429.37</b>	<b>928.87</b>	<b>755.40</b>	<b>307.85</b>
Direct taxes (paid) /refunds, net	(22.75)	87.00	102.68	(40.58)	(59.24)
<b>Net cash flows from operating activities (A)</b>	<b>535.32</b>	<b>516.37</b>	<b>1,031.55</b>	<b>714.82</b>	<b>248.61</b>

(All amounts in ₹ millions, unless otherwise mentioned)

Particulars	For six months period ended		For the year ended		
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Payments towards property, plant and equipment, including intangible assets (includes adjustments arising from right of use assets, capital work in progress, intangible assets under development and capital advances)	(774.90)	(103.11)	(363.23)	(284.69)	(392.33)
Proceeds on disposal of property, plant and equipment	0.65	-	0.31	3.44	-
Purchase of investments in mutual funds	(470.01)	(284.99)	(815.16)	(775.00)	-
Proceeds from sale of investments mutual funds	446.52	185.32	771.95	939.22	116.40
Investments in bank deposits	(0.90)	(95.37)	(104.67)	(82.19)	(1.00)
Redemption of bank deposits	97.56	93.00	100.64	-	-
Interest received	1.24	12.80	19.46	-	-
<b>Net cash flows (used in) investing activities (B)</b>	<b>(699.84)</b>	<b>(192.35)</b>	<b>(390.70)</b>	<b>(199.22)</b>	<b>(276.93)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issuance of equity share capital	163.26	-	0.25	-	-
Proceeds from issuance of NCCPS	140.15	-	-	-	600.00
Proceeds from current borrowings	-	0.90	-	-	-
Proceeds from non-current borrowings	348.02	0.07	91.40	107.50	5.00
Repayment of non-current borrowings	(48.46)	(23.53)	(107.24)	(112.91)	(114.32)
Payment of principal portion of lease liabilities	(68.09)	(81.55)	(132.84)	(157.84)	(108.73)
Payment of interest portion of lease liabilities	(220.34)	(158.85)	(337.35)	(319.54)	(333.98)
Finance costs paid (Other than interest portion of lease liabilities)	(44.60)	(45.91)	(85.87)	(99.32)	(90.88)
<b>Net cash flows (used in)/from financing activities (C)</b>	<b>269.94</b>	<b>(308.87)</b>	<b>(571.65)</b>	<b>(582.11)</b>	<b>(42.91)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>105.42</b>	<b>15.15</b>	<b>69.20</b>	<b>(66.51)</b>	<b>(71.23)</b>
Cash and cash equivalents at the beginning of the period / year	33.80	(35.40)	(35.40)	31.11	102.34
<b>Cash and cash equivalents at the end of the period / year</b>	<b>139.22</b>	<b>(20.25)</b>	<b>33.80</b>	<b>(35.40)</b>	<b>31.11</b>
<b>Comprises:</b>					
Cash-on-hand	4.03	3.43	4.67	2.96	2.43
Balances with banks in:					
Current accounts	139.77	27.86	46.02	27.83	41.83
Bank overdraft	(4.58)	(51.54)	(16.89)	(66.19)	(13.15)
<b>Total</b>	<b>139.22</b>	<b>(20.25)</b>	<b>33.80</b>	<b>(35.40)</b>	<b>31.11</b>

## GENERAL INFORMATION

Our Company was incorporated on December 15, 2005, as a private limited company under the Companies Act, 1956, with the name, ‘Kids Clinic Bangalore Private Limited’, pursuant to a certificate of incorporation issued by the RoC. Thereafter the registered office of our Company was shifted from No. 9 Curly Street Richmond Town, Bengaluru 560 025, Karnataka, India to No. 1533 9th Main Jayanagar 3rd Block, Bengaluru 560 011, Karnataka India, on October 1, 2006. Thereafter, name of our Company was changed to ‘Kids Clinic India Private Limited’ approved by a board resolution dated May 20, 2011, and a special resolution dated June 22, 2011 passed by our Shareholders, along with a fresh certificate of incorporation issued by the RoC on September 16, 2011, since our Company was looking to expand its business activities to other locations of India and our board of directors believed the name of our Company should be changed to reflect the current business activities of our Company. Thereafter, pursuant to the conversion of our Company to a public limited company pursuant to a board resolution dated November 16, 2021, and a special resolution passed by our Shareholders dated November 26, 2021, our name was changed to ‘Kids Clinic India Limited’ and the RoC issued a fresh certificate of incorporation on December 13, 2021, in this regard. For details, see “*History and Certain Corporate Matters – Amendments to the Memorandum of Association*” on page 189.

**Company Registration Number:** 037953

**Corporate Identity Number:** U85110KA2005PLC037953

### Registered Office

No. 1533, 9th Main Jayanagar 3rd Block  
Bengaluru – 560 011  
Karnataka, India  
**Tel:** + 91 80 6673 2263

### Corporate Office

Indiqube Sigma, No.3/B  
Koramangala Industrial Layout  
3rd Block Koramangala,  
Bengaluru-560 034  
Karnataka, India  
**Tel:** + 91 80 4646 1236

### Address of the Registrar of Companies

Our Company is registered with the RoC, located at the following address:

### Registrar of Companies, Karnataka at Bengaluru

E’ Wing, 2<sup>nd</sup> Floor  
Kendriya Sadan  
Koramangala  
Bengaluru 560 034  
Karnataka, India

### 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	DIN	Address
Nupur Garg	Chairperson and Non-Executive Independent Director	03414074	Flat No.115 Siddhartha Enclave, New Delhi 110 014, India
Raviganesh Ventakaraman	Executive Director and CEO	07336611	#7063, Windmills of Your Mind, EPIP Zone 5B, Whitefield Road, Next to L and T InfoTech, North Bengaluru, 560 066, Karnataka, India
Dr. R Kishore Kumar	Executive Director	02795844	17th Cross, 2nd A Main, Near Uma Maheswari Temple K R Road Banasankari 2nd Stage, Bengaluru 560 070, Karnataka, India

Name	Designation	DIN	Address
Rohit M A	Executive Director	02501034	170, 37 <sup>th</sup> Cross, 18 <sup>th</sup> Main, 4 <sup>th</sup> T Block Jayanagar, Thilaknagar, Bengaluru South 560 041, Karnataka, India
Bharat Singh	Non-Executive Nominee Director	08222884	723 Ranka Heights, Domlur Cross Bengaluru-560 071, Karnataka, India
Nitin Agarwal	Non-Executive Nominee Director	09196679	B 1501 Rustomjee Seasons MIG CHS IV Ltd. N, Dharmadhkari Road, near MMRDA office, Gandhi Nagar Bandra East Mumbai – 400 051, Maharashtra, India
Satish Chander Subbanna	Non-Executive Nominee Director	02849420	Villa #9, Adarsh Vista, Basavanagar Main Road, Vignana Nagar, Bengaluru – 560 037, Karnataka, India
Elizabeth Lucy Chapman	Non-Executive Independent Director	06459440	Soona Mahal, CHS, 6th Floor, 143 Terrace Apartment, Marine Drive, Marine Lines, Mumbai 400 020, Maharashtra, India
V.S Parthasarathy	Non-Executive Independent Director	00125299	3404, Indiabulls-SKY, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400 013, Maharashtra, India

For brief profiles and further details in respect of our Directors, see “*Our Management*” on page 196.

### Company Secretary and Compliance Officer

Madhusudan P is the Company Secretary and the Compliance Officer of our Company, whose contact details are as follows:

Indiqube Sigma, No.3/B  
Koramangala Industrial Layout  
3rd Block Koramangala,  
Bengaluru-560034  
Karnataka, India  
**Tel:** + 91 80 4646 1236  
**E-mail:** cs@cloudninecare.com

Investors may contact the Company Secretary and the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of Allotment Advice, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode.

All Offer related grievances, other than those of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary 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 or the UPI ID (for Retail Individual Investors who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

### Filing of the Offer Documents

A copy of this Draft Red Herring Prospectus has been filed electronically with SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to “Easing of Operational Procedure – Division of Issues and Listing – CFD”, and will also be uploaded on the SEBI intermediary portal at <https://siportal.sebi.gov.in> as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act 2013 would be filed with the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act 2013 would be filed with the RoC at its office (address of RoC mentioned below).

### Book Running Lead Managers

#### JM Financial Limited

7th Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025  
Maharashtra, India

**Tel:** (+ 91 22) 66303030

**E-mail:** kcil.ipo@jmfl.com

**Website:** www.jmfl.com

**Investor Grievance E-mail:** grievance.ibd@jmfl.com

**Contact Person:** Prachee Dhuri

**SEBI Registration No.:** INM000010361

#### Axis Capital Limited

1st floor, Axis House  
C-2 Wadia International Centre  
P.B. Marg, Worli  
Mumbai – 400 025  
Maharashtra, India

**Tel:** (+ 91 22) 43252183

**E-mail:** kcil.ipo@axiscap.in

**Investor Grievance E-mail:** compliants@axiscap.in

**Website:** www.axiscapital.co.in

**Contact Person:** Ankit Bhatia

**SEBI Registration No.:** INM000012029

#### ICICI Securities Limited

ICICI Venture House  
Appasaheb Marathe Marg, Prabhadevi  
Mumbai 400 098  
Maharashtra, India

**Tel:** (+ 91 22) 68077100

**E-mail:** kcil.ipo@icicisecurities.com

**Website:** www.icicisecurities.com

**Investor Grievance**

**Email:** customercare@icicisecurities.com

**Contact person:** Gaurav Mittal

**SEBI Registration No.:** INM00011179

### Statement of inter-se allocation of responsibilities among the Book Running Lead Managers

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

Sr. No.	Activity	Responsibility	Coordination
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.	JM Financial, Axis, and I-Sec	JM Financial
2.	Drafting and approval of all statutory advertisement	JM Financial, Axis, and I-Sec	JM Financial
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.	JM Financial, Axis, and I-Sec	I-Sec
4.	Appointment of Registrar to the Offer, Advertising Agency and Printer to the Offer including co-ordination for their agreements.	JM Financial, Axis, and I-Sec	JM Financial
5.	Appointment of all other intermediaries and including co-ordination for all other agreements	JM Financial, Axis, and I-Sec	Axis
6.	Preparation of road show presentation and frequently asked questions	JM Financial, Axis, and I-Sec	I-Sec
7.	International institutional marketing of the Offer, which will cover, <i>inter alia</i> :	JM Financial, Axis, and I-Sec	I-Sec

Sr. No.	Activity	Responsibility	Coordination
	<ul style="list-style-type: none"> <li>Finalizing the list and division of international investors for one-to-one meetings</li> <li>Finalizing international road show and investor meeting schedules</li> </ul>		
8.	Domestic institutional marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>Institutional marketing strategy</li> <li>Finalizing the list and division of domestic investors for one-to-one meetings</li> <li>Finalizing domestic road show and investor meeting schedules</li> </ul>	JM Financial, Axis, and I-Sec	JM Financial
9.	Retail marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>Formulating marketing strategies, preparation of publicity budget</li> <li>Finalising media, marketing and public relations strategy;</li> <li>Finalising centres for holding conferences for brokers etc.</li> <li>Finalising collection centers;</li> <li>Arranging for selection of underwriters and underwriting agreement; and</li> <li>Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material</li> </ul>	JM Financial, Axis, and I-Sec	Axis
10.	Non-Institutional marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>Finalising media, marketing and public relations strategy; and</li> <li>Finalising centres for holding conferences for brokers, etc</li> </ul>	JM Financial, Axis, and I-Sec	Axis
11.	Managing anchor book related activities and submission of letters to regulators post completion of anchor allocation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange.	JM Financial, Axis, and I-Sec	I-Sec
12.	Managing the book and finalization of pricing in consultation with the Company and the Selling Shareholders.	JM Financial, Axis, and I-Sec	I-Sec
13.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Banks, intimation of allocation and dispatch of refund to Bidders, etc.	JM Financial, Axis, and I-Sec	Axis
	<p>Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholders.</p> <p>Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of final post Offer report to SEBI</p>		

## Syndicate Members

[•]

## Legal Counsel to the Company as to Indian Law

### Shardul Amarchand Mangaldas & Co.

24<sup>th</sup> Floor, Express Towers

Nariman Point

Mumbai 400 021, Maharashtra, India

Tel.: +91 22 4933 5555



**Legal Counsel to the BRLMs as to Indian Law**

**IndusLaw**

#107, 1st Floor, Mistry Mansion  
M.G. Road, Fort  
Mumbai 400 001  
Maharashtra, India  
**Tel:** +91 11 4782 1000

**Legal Counsel to the Book Running Lead Managers as to International Law**

**Hogan Lovells Lee & Lee**

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

**Legal Counsel to the Investor Selling Shareholders**

**J. Sagar Associates**

Sandstone Crest  
Sushant Lok - Phase 1  
Gurgaon 122 009 Haryana India  
**Tel:** +91 124 439 0600

**Registrar to the Offer**

**M/s. KFin Technologies Private Limited**

(formerly known as 'Karvy Fintech Private Limited')  
Selenium Tower B, Plot 31 & 32  
Financial District  
Nanakramguda, Serilingampally  
Hyderabad, Rangareddi 500 032, Telangana, India  
**Tel:** +91 40 6716 2222  
**E-mail:** kcil.ipo@kfintech.com  
**Investor Grievance E-mail:** einward.ris@kfintech.com  
**Website:** www.kfintech.com  
**Contact Person:** M. Murali Krishna  
**SEBI Registration No.:** INR000000221

**Escrow Bank**

[•]

**Public Offer Account Bank**

[•]

**Refund Bank**

[•]

**Sponsor Bank(s)**

[•]

**Banker to our Company**

**HDFC Bank Limited**

HDFC Bank House  
Senapati Bapat Margh  
Lower Parel Mumbai 400 013.

**Axis Bank Limited**

Nitesh Timesquare 1 Level 3  
No. 8 MG Road  
Bengaluru- 560 001,

Maharashtra, India  
**Telephone:** +9124988484  
**E-mail:** anuragkumar.raoc@hdfcbank.com  
**Website:** www.hdfcbank.com  
**Contact Person:** C Anurag Rao

Karnataka, India  
**Telephone:** +91 8095473450  
**E-mail:** vikram2.jha@axisbank.com  
**Website:** www.axisbank.com  
**Contact Person:** Vikram Jha

#### **Designated Intermediaries:**

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

The list of SCSBs is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> 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 a Bidder (other than an Anchor Investor), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> on the SEBI website, and at such other websites as may be prescribed by SEBI from time to time.

#### **SCSBs enabled for UPI Mechanism**

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

#### **Syndicate SCSB Branches**

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

#### **Broker Centres/ Designated CDP Locations/ Designated RTA Locations**

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Bidders (other than Anchor Investors) can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and at the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. The list comprising the details of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time.

#### **Statutory Auditors of our Company**

##### **Deloitte Haskins & Sells, Chartered Accountants**

Prestige Trade Tower, Level 19  
46, Palace Road, High Grounds  
Bengaluru - 560 001  
Karnataka, India  
Tel.: +91 80 6188 6000  
Fax: +91 80 6188 6011  
Email: [jatراسي@deloitte.com](mailto:jatراسي@deloitte.com)

Firm Registration No: 008072S  
Peer Review No: 011620

#### Changes in auditors in the last three years

Name of the Auditors	Date of Change	Reason for Change
Deloitte Haskins & Sells, Chartered Accountants Prestige Trade Tower, Level 19 46, Palace Road, High Grounds Bengaluru - 560 001 Karnataka, India <b>Tel.:</b> +91 80 6188 6000 <b>Fax:</b> +91 80 6188 6011 <b>Email:</b> jatrasi@deloitte.com <b>Firm Registration No:</b> 008072S <b>Peer Review No:</b> 011620	August 31, 2021	Appointment as Statutory Auditors for a five year term
S.R Batliboi & Associates LLP, Chartered Accountants 12th Floor, UB City Canberra Block No. 24 Vittal Mallya Road Bengaluru -560001 Karnataka India <b>Tel:</b> + 918066489000 <b>Email:</b> srba@srba.in <b>Firm Registration No:</b> 101049W/E300004 <b>Peer Review No:</b> 013325	August 31, 2021	Retirement of statutory auditors upon completion of term as statutory auditor of the Company

#### Grading of the Offer

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

#### Appraising Entity

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

#### Credit Rating

As this is an Offer of Equity Shares, there is no credit rating required.

#### Trustees

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

#### Monitoring Agency

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency for the Fresh Issue prior to the filing of the Red Herring Prospectus with the RoC. The requisite details shall be included in the Red Herring Prospectus.

#### Expert

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

Our Company has received consent dated February 10, 2022 from our Statutory Auditor, Deloitte Haskins & Sells, Chartered Accountants, who holds a valid peer review certificate, to include its name as required under Section 26 of the Companies Act 2013 read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an “expert”, as defined under Section 2(38) of the Companies Act 2013 to the extent and in their capacity as the statutory auditor of our Company and in respect of the report of the Statutory Auditor on the Restated Consolidated Financial Information dated February 7, 2022 and the statement of possible special tax benefits dated February 10, 2022 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term “experts” and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

## Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band will be decided by our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the BRLMs, and advertised in [•] editions of [•] (a widely circulated English national daily newspaper) and [•] editions of [•] (a widely circulated Hindi national daily newspaper) and [•] editions of [•] (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka where our Registered and Corporate Office is located) at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. Pursuant to the Book Building Process, the Offer Price shall be determined by our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the BRLMs after the Bid/ Offer Closing Date.

**All investors (other than Anchor Investors) can participate in this Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. In addition to this, the RIIs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism.**

**In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and other Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until the Bid/ Offer Closing Date. Anchor Investors are not allowed to revise or withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to Retail Individual Investors and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis. For further details on method and process of Bidding, see “Offer Structure” and “Offer Procedure” on pages 343 and 347, respectively.**

**The Book Building Process under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid.**

Bidders should note that the Offer is also subject to: (i) filing of the Prospectus with the RoC and (ii) obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law.

For further details on the method and procedure for Bidding, see “Offer Structure” and “Offer Procedure” on pages 343 and 347, respectively.

## Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. After the determination of the Offer Price, but prior to filing the Prospectus with the RoC, our Company will enter into an underwriting agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten by each BRLM shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as 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 filled in before filing of the Prospectus with the RoC.*

Name, address, telephone and e-mail of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in million)
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]

The abovementioned amounts are provided for indicative purposes only and will be finalised after determination of the Offer Price and actual allocation and subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them 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 ₹, except share data)			
Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Offer Price*
<b>A)</b>	<b>AUTHORIZED SHARE CAPITAL<sup>(1)</sup></b>		
	60,000,000 Equity Shares	300,000,000	-
	15,943,000 Preference Shares	832,839,080	-
<b>B)</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER (BEFORE CONVERSION OF OUTSTANDING CCPS)<sup>(4)</sup></b>		
	14,039,420 Equity Shares of face value of ₹ 5.00 each	70,197,100	-
	5,629,799 Class A CCPS of face value of ₹ 10.00 each	56,297,990	-
	3,154,744 Class B CCPS of face value of ₹ 10.00 each	31,547,440	-
	428,212 Class B1 CCPS of face value of ₹ 100.00 each	42,821,200	-
	4,389,540 Class C CCPS of face value of ₹ 100.00 each	438,954,000	-
	1,042,209 Class C1 CCPS of face value of ₹ 100.00 each	104,220,900	-
	495,031 Class C2 CCPS of face value of ₹ 300.00 each	148,509,300	-
<b>C)</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER (AFTER CONVERSION OF OUTSTANDING CCPS)</b>		
	44,184,150 Equity Shares of face value of ₹ 5.00 each <sup>(4)</sup>	220,920,750	-
<b>D)</b>	<b>PRESENT OFFER<sup>(2)</sup></b>		
	Offer of up to [•] Equity Shares aggregating up to ₹ [•] million		
	which includes		
	Fresh Issue of up to [•] Equity Shares <sup>(2)</sup> aggregating up to ₹ 3,000.00 million	[•]	[•]
	Offer for Sale of up to 13,293,514 Equity Shares aggregating up to ₹ [•] million <sup>(3) (4)</sup>	[•]	[•]
	The Offer Includes		
	Employee Reservation Portion of up to [•] Equity Shares aggregating up to ₹ [•] million <sup>(5)</sup>	[•]	[•]
	Net Offer to the public of up to [•] Equity Shares	[•]	[•]
<b>E)</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER</b>		
	[•] Equity Shares of face value of ₹ 5 each	[•]	[•]
<b>F)</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Prior to the Offer (as on date of this Draft Red Herring Prospectus)		4,388.65
	After the Offer		[•]

\* To be updated upon finalisation of the Offer Price.

<sup>(1)</sup> For details in relation to changes in the authorized share capital of our Company, see "History and Certain Corporate Matters – Amendments to the Memorandum of Association" on page 189.

<sup>(2)</sup> The Offer has been authorized by a resolution dated January 31, 2022, passed by our Board and the Fresh Issue has been approved by a special resolution dated February 1, 2022, passed by our Shareholders. Our Company and the Selling Shareholders in consultation with the BRLMs, may consider a Pre-IPO Placement prior to the filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement shall be undertaken at the discretion of our Company and the price of the Equity Shares allotted pursuant to the Pre-IPO Placement shall be determined by our Company and Selling Shareholders, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.

<sup>(3)</sup> The Equity Shares proposed to be offered by the Selling Shareholders may include all or a portion of the Equity Shares which will be issued upon conversion of the CCPS held by them. The conversion of CCPS will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) and Regulation 8 of the SEBI ICDR Regulations. The respective portion of the Offered Shares have been held by the respective Selling Shareholders for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and the respective Offered Shares (arising upon conversion of the respective CCPS held by such Selling Shareholders) will be eligible for being offered for sale in the Offer for Sale. For details see "Other Regulatory and Statutory Disclosures" on page 327.

<sup>(4)</sup> 15,139,535 CCPS shall be converted into 30,144,730 Equity Shares prior to filing of the Red Herring Prospectus with the RoC in accordance Regulation 5(2) of the SEBI ICDR Regulations.

<sup>(5)</sup> In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000.00 (net of employee discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.00 (net of employee discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹ 500,000.00.00), shall be added to the Net Offer. For further details, see "Offer Structure" beginning on page 343.

## Notes to Capital Structure

### 1. Equity Share Capital History of our Company

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

Date of allotment	Name(s) of allottee(s)	Reason / nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
December 15, 2005	10,000 Equity Shares to M. Ramachandra and 10,000 Equity Shares to Dr. R. Kishore Kumar	Initial subscription to the Memorandum of Association	20,000	10	10	Cash
June 15, 2006	200,000 Equity Shares to Scrips N Scrolls and 200,000 Equity Shares to Dr. R. Kishore Kumar	Preferential allotment	400,000	10	10	Cash
October 27, 2007	330 Equity Shares to Elumalai Rajendran and 330 Equity Shares to T L Alamelu & Family Trust	Preferential allotment	660	10	30	Cash
December 9, 2007	2,790,000 Equity Shares to Scrips N Scrolls and 2,790,000 Equity Shares to Dr. R. Kishore Kumar	Preferential allotment	5,580,000	10	10	Cash
December 10, 2007	330,000 Equity Shares to T L Alamelu & Family Trust	Preferential allotment	330,000	10	30	Cash
August 1, 2010	10,000 Equity Shares to R. Venkatesh Babu, 20,000 Equity Shares to B. R. Rajendra, 20,000 Equity Shares to Rohit M A and 30,000 Equity Shares <sup>(1)</sup> to Monica Rohit	Preferential allotment	80,000	10	100	Cash
March 31, 2011	50,000 Equity Shares to Dr. R Kishore Kumar, 20,000 Equity Shares to Dr. Reeta H Biliangady and 25,000 Equity Shares to Dr. S. V. Girish	Preferential allotment	95,000	10	100	Cash
May 25, 2011	Matrix Partners India Investments, LLC	Preferential allotment	100	10	79.93	Cash
October 25, 2013	SCI Growth Investments II	Preferential allotment	100	10	325.86	Cash
September 29, 2015	Naga Siddharth S.	Allotment pursuant to the ESOP Plan 2013	7,784	10	159.86	Cash
December 11, 2015	65,000 Equity Shares to Akash Malik, 6,500 Equity Shares to Sumit Kumar and 8,760 Equity Shares to Esha Tiwari	Allotment pursuant to the ESOP Plan 2013	80,260	10	159.86	Cash
December 18, 2020	116,059 Equity Shares to Dr. Devesh Aggarwal, 116,059 Equity Shares to Dr.	Rights Issue	247,476	10	250 <sup>(2)</sup>	Cash

Date of allotment	Name(s) of allottee(s)	Reason / nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
	Sanjay Wazir, 7,679 Equity Shares to Dr. Dharani Bai and 7,679 Equity Shares to Dr. Poornima Mallegowda					
<b>Equity Shares issued in the last one year preceding the date of this Draft Red Herring Prospectus</b>						
July 9, 2021	61,332 Equity Shares to Akash Malik and 12,266 Equity Shares to Sumit Kumar	Allotment pursuant to the ESOP Plan 2013	73,598	10	159.86	Cash
October 29, 2021	Raviganesh Venkataraman	Preferential allotment	23,186	10	10	Cash
January 2022	Akash Malik	Allotment pursuant to the ESOP Plan 2013	61,332	10	159.86	Cash
January 2022	Akash Malik	Allotment pursuant to the ESOP Plan 2013	20,214	10	575.70	Cash
January 2022	17,	Pursuant to a resolution passed by the Shareholders in the EGM held on January 17, 2022, our Company has sub-divided its equity shares, such that 7,019,710 equity shares of ₹ 10.00 each aggregating to ₹ 70,197,100.00 were sub-divided as 14,039,420 Equity Shares of ₹ 5.00 each aggregating to ₹ 70,197,100.00 as on the record date i.e., January 17, 2022.				

Notes:

- (1) 30,000 Equity Shares allotted to Monica Gupta are jointly held with Rohit M A
- (2) Allotment of 247,476 partly paid-up shares, i.e., ₹ 1 paid per Equity Shares allotted on December 18, 2020. Out of 247,476 Equity Shares 15,358 Equity Shares were fully paid up on December 3, 2021, 154,746 Equity Shares were fully-paid up on December 22, 2021 and 77,372 Equity Shares were fully-paid up on December 31, 2021.

## 2. Preference Share capital history of our Company

The history of the Preference Share capital of our Company is provided in the following table:

Date of allotment	Name of the Allottee	Nature of allotment	Number of preference shares allotted	Face value (₹)	Offer price per CCPS (₹)	Form of consideration
<b>Class A CCPS</b>						
May 27, 2011	Matrix Partners India Investments, LLC	Preferential Allotment	5,629,799	10	79.93	Cash
<b>Class B CCPS</b>						
October 25, 2013	767,210 Class B CCPS to Matrix Partners India Investments and 2,387,534 Class B CCPS to SCI Growth Investments II	Preferential Allotment	3,154,744	10	325.86	Cash
<b>Class B1 CCPS</b>						
September 2, 2015	125,945 Class B1 CCPS to Matrix Partners India Investments and 302,267 Class B1 CCPS to SCI Growth Investments II	Preferential Allotment	428,212	100	397.00	Cash



Date of allotment	Name of the Allottee	Nature of allotment	Number of preference shares allotted	Face value (₹)	Offer price per CCPS (₹)	Form of consideration
<b>Class C CCPS</b>						
December 22, 2015	Indium (Mauritius) Holdings Limited	V Preferential Allotment	2,218,270	100	575.70	Cash
December 8, 2016	Indium (Mauritius) Holdings Limited	V Preferential Allotment	2,171,270	100	575.70	Cash
<b>Class C1 CCPS</b>						
June 5, 2018	True North Fund V LLP	Preferential Allotment	1,042,209	100	575.70	Cash
<b>Class C2 CCPS</b>						
July 24, 2021	NewQuest Asia Fund IV (Singapore) Pte. Ltd.	Preferential Allotment	495,031	300	606.02	Cash

As on the date of this Draft Red Herring Prospectus, 5,629,799 Class A CCPS, 3,154,744 Class B CCPS, 428,212 Class B1 CCPS, 4,389,540 Class C CCPS, 1,042,209 Class C1 CCPS and 495,031 Class C2 CCPS are outstanding which will be converted into 11,259,598 Equity Shares, 6,309,488 Equity Shares, 722,084 Equity Shares, 8,779,080 Equity Shares, 2,084,418 Equity Shares and 990,062 Equity Shares, respectively, prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations and in accordance with the Amended and Restated Shareholders' Agreement dated June 30, 2021 read with the Amendment Agreement dated February 1, 2022. Further the aforesaid conversion has factored in the split of face value of the Equity Shares of the Company from ₹ 10.00 to ₹ 5.00.

### 3. Shares issued for consideration other than cash or bonus issue

Our Company has not issued any Equity Shares or preference shares for consideration other than cash or any bonus issues since its incorporation.

### 4. Shares issued out of revaluation reserves

Our Company has not issued any Equity Shares or preference shares out of revaluation reserves since its incorporation.

### 5. Allotment of shares pursuant to schemes of arrangement

Our Company has not allotted any Equity Shares or preference shares pursuant to a scheme of amalgamation approved under Sections 230 to 234 of the Companies Act 2013, as applicable.

### 6. Issue of Equity Shares under employee stock option schemes

Except for the issue of Equity Shares pursuant to the exercise of options, which have been granted pursuant to the ESOP Plan 2013, our Company does not have any employee stock option schemes. For details of Equity Shares issued by our Company pursuant to the exercise of options which have been granted under the employee stock option schemes, see “- *Equity Share Capital History of our Company*” on page 83.

### 7. Issue of shares at a price lower than the Offer Price in the last one year

Other than as disclosed in “-*Equity Share Capital History of our Company*” and “-*Preference Share capital history of our Company*” on pages 83 and 84, our Company has not issued any Equity Shares or preference shares in the last one year preceding the date of this Draft Red Herring Prospectus at a price which may be lower than the Offer Price:

## 8. **Details of Lock-in of Equity Shares**

Our Company does not have an identifiable promoter in terms of the SEBI ICDR Regulations and the Companies Act. Accordingly, in terms of Regulation 14(1) of the SEBI ICDR Regulations, there is no requirement of minimum promoter's contribution in the Offer and none of the Equity Shares will be locked in for a period of 18 months pursuant to the Offer.

## 9. ***Other Lock-in requirements***

As prescribed under Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment except for (i) the Equity Shares which may be Allotted to the employees under the ESOP Plan 2013 pursuant to exercise of options held by such employees (whether currently employees or not); (ii) the Equity Shares transferred by the Selling Shareholders pursuant to the Offer; and (iii) equity shares held by a VCF or AIF of category I or category II or a foreign venture capital investor. However, such equity shares shall be locked-in for a period of at least six months from the date of purchase by such venture capital fund or alternative investment fund or foreign venture capital investor. Any unsubscribed portion of the Equity Shares being offered by the Selling Shareholders in the Offer for Sale would also be locked-in as required under the SEBI ICDR Regulations, as applicable

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

- (i) Any Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment. The Equity Shares held by any person and locked-in for a period of six months from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the Takeover Regulations.
- (ii) In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Shareholders prior to the Offer and locked-in for a period of one year may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the applicable lock-in and the transferee being ineligible to transfer such Equity Shares until expiry of the lock-in period, and compliance with the provisions of the SEBI Takeover Regulations.

## 10. Our shareholding pattern

Set forth below is the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of Equity shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) <sup>(2)</sup> (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Class eg: Equity Shares	Class eg: Others	Total			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
(A)	Promoters and Promoter Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(B)	Public	24 <sup>(1)</sup>	14,039,420	-	-	14,039,420	100.00%	14,039,420	-	14,039,420	100.00%	30,144,730*	100.00%	-	-	-	14,039,420
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	0.00%	-	-	-	-	-
<b>Total</b>		<b>24</b>	<b>14,039,420</b>	<b>-</b>	<b>-</b>	<b>14,039,420</b>	<b>100.00%</b>	<b>14,039,420</b>	<b>-</b>	<b>14,039,420</b>	<b>100.00%</b>	<b>30,144,730</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,039,420</b>

<sup>(1)</sup> Including Indium V (Mauritius) Holdings Limited which holds only CCPS as on date of this Draft Red Herring Prospectus.

<sup>(2)</sup> Excluding grants made under ESOP Plan 2013

\* Assuming conversion of 15,139,535 outstanding CCPS to a maximum of 30,144,730 Equity Shares prior to the filing of the Red Herring Prospectus with the RoC

## 11. Shareholding of our Directors and Key Managerial Personnel in our Company

Except as stated below, none of our Directors or Key Managerial Personnel hold any Equity Shares in our Company:

S. No.	Name of the Shareholder	Pre-Offer			
		Number of Equity Shares held	Percentage of Equity share capital (%)	Number of Equity Shares on a fully diluted basis <sup>(1)</sup>	Percentage of equity share capital on a fully diluted basis (%)
1.	Dr. R Kishore Kumar	5,478,354	39.02%	5,478,354	12.40%
2.	Rohit M A	349,492	2.49%	349,492	0.79%
3.	Raviganesh Venkataraman	46,372	0.33%	46,372	0.10%

<sup>(1)</sup> Excluding grants made under ESOP Plan 2013.

## 12. Details of shareholding of the major Shareholders of our Company

- (a) As on the date of this Draft Red Herring Prospectus, our Company has 23 Equity shareholders and 4 CCPS shareholders.
- (b) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as on date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Pre-Offer			
		Number of Equity Shares	Percentage of equity share capital (%)	Number of Equity Shares on a fully diluted basis <sup>(1)(2)</sup>	Percentage of equity share capital on a fully diluted basis (%)
1.	Dr. R Kishore Kumar	5,478,354	39.02%	5,478,354	12.40%
2.	Rohit M A	349,492	2.49%	349,492	0.79%
3.	Scips 'N' Scroll India Private Limited	4,198,354	29.90%	4,198,354	9.50%
4.	M A Usha Rani	175,320	1.25%	175,320	0.40%
5.	SCI Growth Investments II	871,592	6.21%	6,156,366 <sup>(5)</sup>	13.93%
6.	NewQuest	1,738,964	12.39%	11,114,960 <sup>(4)</sup>	25.16%
7.	True North Fund V LLP	593,080	4.22%	11,734,500 <sup>(3)</sup>	26.56%
8.	Indium V (Mauritius) Holdings Limited	-	-	4,342,540 <sup>(6)</sup>	9.83%
<b>Total</b>		<b>13,405,156</b>	<b>95.48%</b>	<b>43,549,886</b>	<b>98.57%</b>

<sup>(1)</sup> Excluding grants made under ESOP Plan 2013

<sup>(2)</sup> Includes 30,144,730 Equity shares to be issued pursuant to conversion of 15,139,535 CCPS which shall be converted into Equity Shares prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) and Regulation 8 of the SEBI ICDR Regulations.

<sup>(3)</sup> 2,310,231 Class A CCPS, 2,218,270 Class C CCPS and 1,042,209 Class C1 CCPS held by True North Fund V LLP shall be converted into a maximum of 4,620,462 Equity Shares, 4,436,540 Equity Shares and 2,084,418, respectively.

<sup>(4)</sup> 3,319,568 Class A CCPS, 767,210 Class B CCPS, 125,945 Class B1 CCPS and 495,031 Class C1 CCPS held by NewQuest shall be converted into a maximum of 6,639,136 Equity Shares, 1,534,420 Equity Shares, 212,378 Equity Shares and 990,062 Equity Shares, respectively.

<sup>(5)</sup> 2,387,534 Class B CCPS and 302,267 Class B1 CCPS held by SCI Growth Investments II shall be converted into a maximum of 4,775,068 Equity Shares and 509,706 Equity Shares, respectively.

<sup>(6)</sup> 2,171,270 Class C CCPS held by Indium V (Mauritius) Holdings Limited shall be converted into a maximum of 4,342,540 Equity Shares.

- (c) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as of 10 days prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Pre-Offer		
		Number of Equity Shares	Percentage of equity share capital (%)	Percentage of equity share capital on a fully diluted basis <sup>(1)(2)</sup>
1.	Dr. R Kishore Kumar	5,478,354	39.02%	12.40%
2.	Rohit M A	349,492	2.49%	0.79%
3.	Scips 'N' Scroll India Private Limited	4,198,354	29.90%	9.50%
4.	M A Usha Rani	175,320	1.25%	0.40%
5.	SCI Growth Investments II	871,592	6.21%	13.93%

Sr. No.	Name of the Shareholder	Pre-Offer			
		Number of Equity Shares	Percentage of equity share capital (%)	Number of Equity Shares on a fully diluted basis <sup>(1) (2)</sup>	Percentage of equity share capital on a fully diluted basis (%)
6.	NewQuest	1,738,964	12.39%	11,114,960 <sup>(4)</sup>	25.16%
7.	True North Fund V LLP	593,080	4.22%	11,734,500 <sup>(3)</sup>	26.56%
8.	Indium V (Mauritius) Holdings Limited	-	-	4,342,540 <sup>(6)</sup>	9.83%
	<b>Total</b>	<b>13,405,156</b>	<b>95.48%</b>	<b>43,549,886</b>	<b>98.57%</b>

<sup>(1)</sup> Excluding grants made under ESOP Plan 2013.

<sup>(2)</sup> Includes 30,144,730 Equity shares to be issued pursuant to conversion of 15,139,535 CCPS which shall be converted into Equity Shares prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) and Regulation 8 of the SEBI ICDR Regulations.

<sup>(3)</sup> 2,310,231 Class A CCPS, 2,218,270 Class C CCPS and 1,042,209 Class C1 CCPS held by True North Fund V LLP shall be converted into a maximum of 4,620,462 Equity Shares, 4,436,540 Equity Shares and 2,084,418, respectively.

<sup>(4)</sup> 3,319,568 Class A CCPS, 767,210 Class B CCPS, 125,945 Class B1 CCPS and 495,031 Class C1 CCPS held by NewQuest shall be converted into a maximum of 6,639,136 Equity Shares, 1,534,420 Equity Shares, 212,378 Equity Shares and 990,062 Equity Shares, respectively.

<sup>(5)</sup> 2,387,534 Class B CCPS and 302,267 Class B1 CCPS held by SCI Growth Investments II shall be converted into a maximum of 4,775,068 Equity Shares and 509,706 Equity Shares, respectively.

<sup>(6)</sup> 2,171,270 Class C CCPS held by Indium V (Mauritius) Holdings Limited shall be converted into a maximum of 4,342,540 Equity Shares.

- (d) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Pre-Offer			
		Number of equity shares of face value of ₹ 10 each	Percentage of equity share capital (%)	Number of equity shares on a fully diluted basis <sup>(1)(2)</sup>	Percentage of equity share capital on a fully diluted basis (%)
1.	Dr. R Kishore Kumar	2,739,177	40.04%	2,739,177	12.79%
2.	Scrips 'N' Scroll India Private Limited.	2,799,177	40.92%	2,799,177	13.07%
3.	M A Usha Rani	87,660	1.28%	87,660	Negligible
4.	Dr. Devesh Aggarwal	116,060	1.70%	116,060	Negligible
5.	Dr. Sanjay Wazir	116,060	1.70%	116,060	Negligible
6.	SCI Growth Investments II	435,796	6.37%	3,078,183	14.37%
7.	True North Fund V LLP	296,540	4.33%	5,867,250	27.39%
8.	Matrix Partners India Investment LLC	100	Negligible	4,193,067	19.58%
9.	Indium V (Mauritius) Holdings Limited	-	0.00%	2,171,270	10.14%
	<b>Total</b>	<b>6,590,570</b>	<b>96.33%</b>	<b>21,167,904</b>	<b>98.83%</b>

<sup>(1)</sup> Excluding grants made under ESOP Plan 2013.

<sup>(2)</sup> Includes 14,577,334 equity shares of face value of ₹ 10 each to be issued pursuant to conversion of 14,644,504 CCPS which shall be converted into Equity Shares prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) and Regulation 8 of the SEBI ICDR Regulations

- (e) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as of two years prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Pre-Offer			
		Number of equity shares of face value of ₹ 10 each	Percentage of equity share capital (%)	Number of equity shares on a fully diluted basis <sup>(1)(2)</sup>	Percentage of equity share capital on a fully diluted basis (%)
1.	Dr. R Kishore Kumar	2,739,177	41.54%	2,739,177	12.94%
2.	Scrips 'N' Scroll India Private Limited	2,799,177	42.45%	2,799,177	13.22%
3.	M A Usha Rani	87,660	1.33%	87,660	Negligible
4.	SCI Growth Investments II	435,796	6.61%	3,078,183	14.54%
5.	True North Fund V LLP	296,544	4.50%	5,867,254	27.71%
6.	Matrix Partners India Investment LLC	100	Negligible	4,193,067	19.81%

Sr. No.	Name of the Shareholder	Pre-Offer			
		Number of equity shares of face value of ₹ 10 each	Percentage of equity share capital (%)	Number of equity shares on a fully diluted basis <sup>(1)(2)</sup>	Percentage of equity share capital on a fully diluted basis (%)
7.	Indium V (Mauritius) Holdings Limited	-	0.00%	2,171,270	10.26%
<b>Total</b>		<b>6,358,454</b>	<b>96.43%</b>	<b>20,935,788</b>	<b>98.89%</b>

<sup>(1)</sup> Excluding grants made under ESOP Plan 2013.

<sup>(2)</sup> Includes 14,577,334 equity shares of face value of ₹ 10 each to be issued pursuant to conversion of 14,644,504 CCPS which shall be converted into Equity Shares prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) and Regulation 8 of the SEBI ICDR Regulations.

### 13. Employee Stock Option Scheme

Our Board of Directors approved the KIDS Clinic India Private Limited Employee Stock Option Plan 2013 (the “**ESOP Plan 2013**”) pursuant to its resolution dated April 1, 2013. Subsequently, our Board of Directors and our Shareholders have approved amendments to the ESOP Plan 2013. Our Board of Directors pursuant to their resolution dated January 31, 2022, and our Shareholders pursuant to a resolution dated February 1, 2022 approved the latest amendment to our ESOP Plan 2013.

Pursuant to the ESOP Plan 2013, options to acquire Equity Shares may be granted to eligible “employees” (as defined in the ESOP Plan 2013) including (i) a permanent employee of the Company working inside or outside of India; or (ii) a Director of the Company whether a whole-time director or not but excluding an independent director; or (iii) an employee as defined in (i) and (ii) above, of the Subsidiary of our Company but excluding a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the issued and subscribed outstanding equity shares of the Company. The ESOP Plan 2013 is compliant with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“**SEBI SBEB Regulations**”).

The details of the ESOP Plan 2013, as certified by Manian & Rao, Chartered Accountants through a certificate dated February 10, 2022 are as follows:

Particulars	Total
Options granted	2,028,338
Options vested (excluding options that have been exercised)	260,188
Options exercised	532,748
Vesting period	Graded vesting on monthly basis starting from the first anniversary from the date of grant and ending on the 60th month from the date of grant /graded vesting on annual basis for upto 5 years starting from the first anniversary from the date of grant.
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options)	1,220,124
Options forfeited/lapsed/cancelled	275,466
Variation in terms of options	Except for the adjustment in relation to the split of the equity shares, there have been no variations in terms of options
Money realised by exercise of options in ₹	47,513,685
Total number of options in force	1,220,124

Particulars	From October 1, 2021 till the date of DRHP	From April 01, 2021 till September, 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
<b>Total options outstanding as at the beginning</b>	767,988	860,466	887,316	646,658	616,836

Particulars	From October 1, 2021 till the date of DRHP	From April 01, 2021 till September, 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
of the period					
Total options granted	662,600	63,740	48,390	378,378	39,952
Vesting period	Graded vesting on monthly basis starting from the first anniversary from the date of grant and ending on the 60th month from the date of grant /graded vesting on annual basis for upto 5 years starting from the first anniversary from the date of grant.				
Exercise price of options in ₹ (as on the date of grant options)	303.01	287.85	287.85	i. 46,372 options at ₹5.00 ii. 262,636 options ₹228.00 iii. 69,370 options at ₹287.85	287.85
Options forfeited/ lapsed/ cancelled	1,000	9,022	75,240	137,720	10,130
Variation of terms of options	Except for the adjustment in relation to the split of the equity shares, there have been no variations in terms of options				
Money realized by exercise of options in ₹	21,673,594	11,765,377	-	-	-
Total number of options outstanding in force	1,220,124	767,988	860,466	887,316	646,658
Total options vested (excluding the options that have been exercised)	260,188	461,364	470,898	436,762	362,584
Options exercised (cumulative since implementation of the ESOP Plan)	532,748	323,284	176,088	176,088	176,088
The total number of Equity Shares arising as a result of exercise of granted options (for options that have	209,464	147,196	-	-	-

Particulars	From October 1, 2021 till the date of DRHP	From April 01, 2021 till September, 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
been exercised) *					
*Considering the impact of stock split					
<b>Employee wise details of options granted to Key Managerial Personnel</b>					
Name and Designation	No. of Options Granted	No. of Options Lapsed/ Cancelled	No. of Options Exercised	No. of Options Outstanding	
Raviganesh Venkataraman	309,008	-	46,372	262,636	
Sandeep Bardia	115,390	-	-	115,390	
Nitin S Nag	74,240	-	-	74,240	
Pawan Kumar	68,788	-	-	68,788	
Sofia Joseph	13,320	-	-	13,320	
Arvind Balakrishna Kasaragod	57,188	-	-	57,188	
Suresh Pandiyan	52,094	-	-	52,094	
Namita Narula	8,370	-	-	8,370	
Chitra Puranik Kuve	8,440	-	-	8,440	
<b>List of Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year/ period</b>					
Name	No. of Options Granted	No. of Options Lapsed/ Cancelled	No. of Options Exercised	No. of Options Outstanding	
<b>Fiscal year ending March 2019</b>					
Pratyush Srivastava	19,108	19,108	-	-	
Suresh Pandiyan	20,844	-	-	20,844	
<b>Fiscal year ending March 2020</b>					
Sandeep Bardia	69,370	-	-	69,370	
Raviganesh Venkataraman	309,008	-	46,372	262,636	
<b>Fiscal year ending March 2021</b>					
Arvind Balakrishna Kasaragod	3,050	-	-	3,050	
Nitin S Nag	4,150	-	-	4,150	
Pawan Kumar	4,310	-	-	4,310	
Sandeep Bardia	4,320	-	-	4,320	
Chaitanya Shravanth	2,710	-	-	2,710	
Gurram Hari Krishna	3,480	-	-	3,480	
<b>Period from April 1, 2021 till the date of this Draft Red Herring Prospectus</b>					
Nitin S Nag	45,640	-	-	45,640	
Pawan Kumar	40,160	-	-	40,160	
Sandeep Bardia	41,700	-	-	41,700	
<b>Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.</b>					
Name	No. of Options Granted	No. of Options Lapsed/ Cancelled	No. of Options Exercised	No. of Options Outstanding	
<b>Fiscal year ending March 2020</b>					



Particulars	From October 1, 2021 till the date of DRHP	From April 01, 2021 till September, 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Raviganesh Venkataraman		309,008	-	46,372	262,636

Particulars	From October 1, 2021 till the date of DRHP	From April 01, 2021 till September, 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
-------------	--	--	-------------	-------------	-------------

Diluted earnings per share pursuant to the issue of Equity Shares on exercise of options in accordance with the applicable accounting standard on 'Earnings Per Share'	NA	(2.38)	(8.30)	(7.05)	(15.67)
--	----	--------	--------	--------	---------

Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation cost calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of our Company and on the earnings per share of our Company	NA	For employees stock options outstanding as on September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 there is no difference in employee cost and earning per share as the share-based employee compensation is calculated as per fair value method.			
--	----	--	--	--	--

Method and significant assumptions used to estimate the	NA	The fair value of the share options is estimated at the grant date using Black Scholes Model ("BS Model") taking into account the terms and conditions upon which the share options are granted. Inputs considered in BS Model for the grants provided during the respective period / year is as follows:			
---	----	---	--	--	--

Particulars	From October 1, 2021 till the date of DRHP	From April 01, 2021 till September, 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019	
fair value of options granted during the year including, weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of underlying shares in the market at the time of grant of option	Particulars		As at			
			September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
	Dividend yield (%)		Nil	Nil	Nil	Nil
	Expected volatility (%)		30.00%	30.00%	30.00%	40.00%
	Risk-free interest rate (%)		4.45% - 5.49%	4.45% - 5.49%	6.59% - 7.42%	7.85%
	Weighted average share price of face value of ₹. 5.00 (₹)		195.60	195.60	195.00	195.00
	The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.					
Impact on the profits and on the earnings per share of the last three years if the accounting policies specified in the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB Regulations”) had been followed, in respect of options granted in the last three years	The Company has complied with the accounting standard issued by the Institute of Chartered Accountants of India which is in line with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.					
Intention of key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three	Key Managerial Personnel may sell some Equity Shares allotted on the exercise of their options post-listing of the Equity Shares of the Company and the quantum of sale of such Equity Shares is undecided					

Particulars	From October 1, 2021 till the date of DRHP	From April 01, 2021 till September, 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
months after the date of listing of Equity Shares pursuant to the Offer					
Intention to sell Equity Shares arising out of the ESOP Plan within three months after the date of listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of the ESOP Plan, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Not applicable – While Raviganesh Venkataraman is holding Equity Shares more than 1.00% of the issued paid capital (excluding conversion of CCPS) arising out of the ESOP Plan 2013, however, such holding will be below 1.00% of the issued paid capital post conversion of preference shares into Equity Shares prior to the filing of the Red Herring Prospectus.				

*Note: All the disclosures given above are after giving effect of the stock split.*

14. None of our Directors or their relatives has purchased or sold any specified securities of our Company, during the six months immediately preceding the date of this Draft Red Herring Prospectus.
15. There have been no financing arrangements whereby our Directors and their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
16. Our Company, our Directors and the BRLMs have not entered into any buy-back or other arrangements for purchase of Equity Shares of our Company.
17. No person connected with the Offer, including our Company, the members of the Syndicate or our Directors shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.
18. None of the BRLMs and their respective associates (as defined under the SEBI (Merchant Bankers) Regulations, 1992) hold any Equity Shares in the Company as on the date of this Draft Red Herring Prospectus.
19. The BRLMs and any associates of the BRLMs (except for Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs or FPIs (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the BRLMs) shall not apply in the Offer under the Anchor Investor Portion.

20. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus. The Equity Shares to be issued pursuant to the Offer shall be fully paid-up at the time of Allotment.
21. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
22. Except for outstanding options granted pursuant to the ESOP Plan 2013, the Class A CCPS, the Class B CCPS, the Class B1 CCPS, the Class C CCPS, the Class C1 CCPS and the Class C2 CCPS, our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.
23. Except for (i) issuance of Equity Shares pursuant to exercise of options granted under the ESOP Plan 2013 (ii) allotment of Equity Shares pursuant to conversion of CCPS and (iii) Pre-IPO Placement, there will be no further issuance 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 the date of 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 to the Anchor Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc, as the case may be.
24. Except for (i) issuance of Equity Shares pursuant to exercise of options granted under the ESOP Plan 2013 and (ii) allotment of Equity Shares pursuant to the Fresh Issue, (iii) Offer for Sale our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or by issue of bonus or rights or further public issue of Equity Shares. 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 Equity Shares as currency for acquisitions or participation in such joint ventures.
25. Up to [•] Equity Shares aggregating up to ₹ [•] million (which shall not exceed 5.00% of the post-Offer equity share capital of our Company) shall be reserved for allocation to Eligible Employees under the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price (net of Employee Discount, if any, as applicable for the Employee Reservation Portion). Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion. Bids by Eligible Employees can also be made in the Net Offer and such Bids shall not be treated as multiple Bids. Unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 200,000.00 (net of employee discount). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹ 200,000.00 (net of employee discount) up to ₹ 500,000.00 (net of employee discount).

## OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to [•] Equity Shares, aggregating up to ₹ 3,000.00 million by our Company and an Offer for Sale of up to 13,293,514 Equity Shares, aggregating up to ₹ [•] million by the Selling Shareholders.

### Offer for Sale

Each of the Selling Shareholder will be entitled to its respective portion of the proceeds of the Offer for Sale, in proportion to its respective portion of the Offered Shares transferred by each of them in the Offer for Sale, after deducting their proportion of Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. For details of the Selling Shareholders, see “*Other Regulatory and Statutory Disclosures – Authority for the Offer – Approvals from the Selling Shareholders*” on page 327.

### Objects of the Fresh Issue

The net proceeds of the Fresh Issue, i.e., gross proceeds of the Fresh Issue less the offer expenses apportioned to our Company (“**Net Proceeds**”) are proposed to be utilised in the following manner:

1. Repayment and/ or pre-payment, in full or part, of certain borrowings availed by our Company;
2. Setting up new centers at various locations;
3. Acquisition of further shareholding in our Subsidiary, Acquity Labs; and
4. General corporate purposes.

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

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us (i) to undertake our existing business activities; and (ii) to undertake the activities proposed to be funded from the Net Proceeds. Further, our Company expects to receive the benefits of listing of the Equity Shares, including to enhance our visibility and our brand image among our existing and potential customers and to create a public market of our Equity Shares in India.

### Net Proceeds

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

(₹ in million)	
Particulars	Estimated amount <sup>1</sup>
Gross Proceeds of the Fresh Issue	3,000.00 <sup>2</sup>
(Less) Offer related expenses in relation to the Fresh Issue <sup>(1)</sup>	[•]
<b>Net Proceeds</b>	<b>[•]</b>

1. To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

2. Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.

### Requirement of Funds and Utilisation of Net Proceeds

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

(₹ in million)	
Particulars	Amount <sup>^</sup>
Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company	950.00
Setting up new centers at various locations	1,179.00
Acquisition of further shareholding in our Subsidiary, Acquity Labs	127.10
General corporate purposes <sup>(1)</sup>	[•]
<b>Total</b>	<b>[•]</b>

<sup>(1)</sup>To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds from the Fresh Issue.

<sup>^</sup> Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. If the Pre-IPO Placement is completed, the amount raised

pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.

## Proposed Schedule of Implementation and Deployment of Net Proceeds

The following table sets forth the details of the schedule of the expected deployment of the Net Proceeds:

(₹ in million)			
Particulars	Total estimated costs	Amount to be funded from the Net Proceeds	Estimated deployment Fiscal 2023
Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company	950.00	950.00	950.00
Setting up new centers at various locations	1,501.29	1,179.00	1,179.00
Acquisition of further shareholding in our Subsidiary, Acquity Labs	127.10	127.10	127.10
General corporate purposes <sup>(1)</sup>	[•]	[•]	[•]
<b>Total</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>

<sup>(1)</sup> To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The aggregate amount to be utilised for general corporate purposes shall not exceed 25% of the Net Proceeds from the Fresh Issue.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, a certificate from an independent project management consultant, One Evolve Enterprise Private Limited, examining and certifying the cost which are proposed to be incurred by the Company towards setting up of centres, a certificate from an independent chartered accountant, Manian & Rao, Chartered Accountants, on the estimated average cost per sq.ft. for rental deposit per new centre and other commercial and technical factors. These fund requirements have not been verified by or appraised by any bank or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management. In the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Offer during the period stated above due to factors such as (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods as may be determined by our Company, in accordance with applicable laws. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable law. For further details, see “**Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any bank or financial institution, and we have not identified the sites for new centres or entered into definitive agreements in relation to the objects of our Offer, which may affect our business and results of operations**” and “**Risk Factors –Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval**” on page 53 and page 53.

Further, our Company may, during the period of scheduled deployment, consider to set-up additional centres over and above the number of centres proposed to be set-up from the proposed utilisation of the Net Proceeds. The requirement of funds for setting-up of such additional centres will be met by way of internal accruals or such other means as available to our Company.

Further, in case of any variations in the actual utilisation of funds earmarked towards the Objects set forth above, then any increased fund requirements for a particular Object may be financed by surplus funds including from internal accruals (provided that the total amount to be utilized towards general corporate purposes does not exceed 25.00% of the Net Proceeds from the Offer), if any, available in respect of the other Objects for which funds are being raised in this Offer, in accordance with the SEBI ICDR Regulations and in compliance with the objectives as set out under “**Objects of the Offer - Details of the Objects of the Fresh Issue – General Corporate Purposes**” below.

### Details of utilisation of the Net Proceeds

#### 1. Repayment and/or pre-payment of certain borrowings, in full or part, availed by our Company

Our Company has entered into various financial arrangements from time to time, with banks and financial institutions. The loan facilities entered into by our Company include borrowing in the form of, *inter alia*, term loans and working capital facilities. As at December 31, 2021, our total outstanding borrowings on a consolidated

basis amounted to ₹980.44 million. Our Company proposes to utilise an estimated amount of ₹950.00 million from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings availed by our Company. Our Company may avail further loans and/ or draw down further funds under existing loans from time to time.

The selection of borrowings proposed to be prepaid or repaid amongst our borrowing arrangements availed will be based on various factors, including (i) cost of the borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for prepayment from the respective lenders, (iv) terms and conditions of such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, (vi) provisions of any laws, rules and regulations governing such borrowings, and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, would not exceed ₹ 950.00 million.

Set forth below is a list of the borrowings availed by our Company, which are proposed to be fully or partially repaid or pre-paid from the Net Proceeds.

Sr. No.	Name of the Lender	Nature of Borrowing	Date of the Sanction Letter / Facility Document <sup>(2)</sup>	Purpose <sup>(1)(2)</sup>	Amount Sanctioned as at December 31, 2021 <sup>(2)</sup>	Amount Outstanding as at December 31, 2021 <sup>(1)(2)</sup>	Repayment Date / Schedule <sup>(2)</sup>	Interest Rate (%) as at December 31, 2021 <sup>(2)</sup>	Pre-payment penalty <sup>(2)</sup>
(₹ in million)									
1.	HDFC Bank Limited	Term Loan	July 19, 2017 as amended on September 24, 2020	Funding for infrastructure for hospitals at Bengaluru, Mumbai, Chandigarh and Delhi	300 <sup>(3)</sup>	193.31	84 months including 18 months of principle moratorium	7.90	<ul style="list-style-type: none"> <li>• 2%+GST foreclosure charges is applicable for any take over from other lender.</li> <li>• If the prepayment is made out of the internal accruals of the borrower, then Nil foreclosure charges.</li> <li>• In the event of interest reset is not acceptable to the Company, then option to prepay with 1% charges.</li> </ul> Nil charges for an exit arising out of non-completion of any credit covenants mentioned in the sanction letter.
2.	HDFC Bank Limited	Term Loan	December 14, 2020 as amended on September 3, 2021	Working capital expenditure	91.40 <sup>(4)</sup>	91.40	48 months equal moratorium after period of 12 months	7.50	Nil
3.	HDFC Bank Limited	Term Loan	May 27, 2019	Funding for infrastructure	97.50	77.36	66 months including 12 months of principle moratorium	7.90	4% prepayment charges in case prepayment is made with minimum 30 business days prior notice.

Sr. No.	Name of the Lender	Nature of Borrowing	Date of the Sanction Letter / Facility Document <sup>(2)</sup>	Purpose <sup>(1) (2)</sup>	Amount Sanctioned as at December 31, 2021 <sup>(2)</sup>	Amount Outstanding as at December 31, 2021 <sup>(1) (2)</sup>	Repayment Date / Schedule <sup>(2)</sup>	Interest Rate (%) as at December 31, 2021 <sup>(2)</sup>	Pre-payment penalty <sup>(2)</sup>
(₹ in million)									
4.	HDFC Bank Limited	Term Loan	September 3, 2021	Working capital Purpose, funding for Infrastructure and equipment loan	500.00	156.85	108 months including 18 months of principle moratorium	6.50	<p>•2%+GST foreclosure charges is applicable for any take over from other lender.</p> <p>•If the prepayment is made out of the internal accruals/ funds raised through issuance of equity or preference shares / mezzanine debt, then Nil foreclosure charges.</p> <p>•In the event of interest reset is not acceptable to the Company, then option to prepay with 1% charges.</p>
5.	Axis Bank Limited	Term Loan	March 22, 2021	Reimbursement of capital expenditure for old Gurgaon Hospital, Panchkula (Haryana) and Whitefield	150.00	150.00	22 equal quarterly instalments after moratorium period of 12 months.	8.50	<p>•In case of prepayment, the lender will be entitled to prepayment premium of 1% of the amount prepaid, except in cases mentioned below:</p> <p>•If the prepayment is made pursuant to written instructions of Axis Bank Limited in which case no prior notice will be required from the Company for prepayment.</p> <p>•If the prepayment is made out of the internal accruals / IPO proceeds/ permitted mezzanine debt, provided the Company has provided a prior written notice of not less than 30 business days.</p> <p>•In the event the interest / spread reset is not acceptable to the Company, the</p>



Sr. No.	Name of the Lender	Nature of Borrowing	Date of the Sanction Letter / Facility Document <sup>(2)</sup>	Purpose <sup>(1) (2)</sup>	Amount Sanctioned as at December 31, 2021 <sup>(2)</sup>	Amount Outstanding as at December 31, 2021 <sup>(1) (2)</sup>	Repayment Date / Schedule <sup>(2)</sup>	Interest Rate (%) as at December 31, 2021 <sup>(2)</sup>	Pre-payment penalty <sup>(2)</sup>
(₹ in million)									
6.	Axis Bank Limited	Term Loan	March 22, 2021	To meet the capital expenditure requirements for setting up a hospital at Sahakarnagar, Bengaluru	144.00	139.65	22 equal quarterly instalments after moratorium period of 18 months.	8.50	<p>Company shall have the option to prepay the loan, in full within 30 days from the date of intimation of on the interest /spread reset date.</p> <p>•In case of prepayment, the lender will be entitled to prepayment premium of 1% of the amount prepaid, except in cases mentioned below:</p> <p>•If the prepayment is made pursuant to written instructions of Axis Bank Limited in which case no prior notice will be required from the Company for prepayment.</p> <p>•If the prepayment is made out of the internal accruals / IPO proceeds/ permitted mezzanine debt, provided the Company has provided a prior written notice of not less than 30 business days.</p> <p>•In the event the interest / spread reset is not acceptable to the Company, the Company shall have the option to prepay the loan, in full within 30 days from the date of intimation of on the interest /spread reset date.</p>
7.	Axis Bank Limited	Term Loan	March 22, 2021	To meet the capital expenditure requirements for setting up of hospital at OMR, Chennai	156.00	147.66	22 equal quarterly instalments after moratorium period of 18 months.	8.50	In case of prepayment, the lender will be entitled to prepayment premium of 1% of the amount prepaid, except in cases

Sr. No.	Name of the Lender	Nature of Borrowing	Date of the Sanction Letter / Facility Document <sup>(2)</sup>	Purpose <sup>(1) (2)</sup>	Amount Sanctioned as at December 31, 2021 <sup>(2)</sup>	Amount Outstanding as at December 31, 2021 <sup>(1) (2)</sup>	Repayment Date / Schedule <sup>(2)</sup>	Interest Rate (%) as at December 31, 2021 <sup>(2)</sup>	Pre-payment penalty <sup>(2)</sup>
(₹ in million)									
									mentioned below:
									•If the prepayment is made pursuant to written instructions of Axis Bank Limited in which case no prior notice will be required from the Company for prepayment.
									•If the prepayment is made out of the internal accruals / IPO proceeds/ permitted mezzanine debt, provided the Company has provided a prior written notice of not less than 30 business days.
									•In the event the interest / spread reset is not acceptable to the Company, the Company shall have the option to prepay the loan, in full within 30 days from the date of intimation of on the interest /spread reset date.
<b>Total amount sanctioned as on December 31, 2021 for the loans proposed to be repaid</b>									1,438.90
<b>Total amount outstanding as on December 31, 2021</b>									956.26

(1) In relation to the utilisation of loans, our Statutory Auditors have issued their report of certain agreed procedures dated February 10, 2022 ("AUP"), carried out in accordance with Indian Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India.

(2) As certified by Manian & Rao, Chartered Accountants, by way of their certificate dated February 10, 2022.

Given the nature of these borrowings and the terms of prepayment, the aggregate outstanding loan amounts may vary from time to time. In the event that there are any prepayment penalties required to be paid under the terms of the relevant financing agreements, such prepayment penalties shall be paid by our Company out of internal accruals. We will take such provisions also into consideration while deciding repayment and/ or pre-payment of loans from the Net Proceeds. In case we are unable to raise the Offer proceeds till the due date for repayment of any of the abovementioned portion of the loans, the funds earmarked for such repayment may be utilised for payment of future instalments of the above mentioned loan or other loan for an amount not more than the amount mentioned above.

For the purposes of the Offer, our Company has intimated and has obtained necessary consent from its lenders, as is respectively required under the relevant facility documentation for undertaking activities relation to this Offer including consequent actions, such as change in the capital structure, change in shareholding pattern of our Company, change in management, amendment to the Articles of Association of our Company, etc.

## 2. Setting up new centres at various locations

We are the leading brand in the super-speciality mother and baby-care space in Fiscal 2021, based on the highest revenue and highest number of hospitals across the major cities as of Fiscal 2021 among the super-speciality mother and baby care hospitals (*Source: CRISIL Report*) at 18 centres as of September 30, 2021 and at 23 centres as of the date of this Draft Red Herring Prospectus across six states and one union territory in India. The center count has grown from 16 to 23 in terms of number of centers from March 31, 2021 till December 31, 2021. As part of our growth strategy, we intend to further enhance our presence across various locations in India by increasing our market penetration and expanding our network. The Delhi-NCR cluster is the top focus cluster for our Company in the near future, where we plan to repeat our densification strategy and success achieved in the city of Bengaluru, Karnataka. We are continuously evaluating properties at suitable locations and prices for development of new centres. We believe regional density and the cluster approach creates value through leverage in direct contracting, greater brand awareness and other economies of scale. For further details, see ‘*Our Business – Business Strategies - Increase density and grow organically within cities with existing operations and adjoining urban clusters*’ on page 166.

We propose to set up seven centres from the proceeds of the Fresh Issue in Fiscal 2023. The total estimated cost of the setting of seven centres is ₹ 1,501.29 million. Our Company proposes to utilise a portion of the Net Proceeds i.e., ₹ 1,179 million, towards funding roll out and of setting up of seven centres at various locations. For further details, see “*Risk Factors – We may face challenges in further expanding our operations in cities we currently operate in or in other cities that we strategically intend to commence operations, which could have an adverse effect on our business prospects and future financial performance*” on page 33.

One Evolve Enterprise Private Limited, an independent project management consultant (“**PMC**”), has been involved in the construction of eight centers of our Company in the past two calendar years, located across Gurgaon, Bangalore, New Delhi and Chennai, and has confirmed that the average built-up area of the centers of our Company is typically 30,000 sq. ft (“**Average Centre Size**”). Accordingly, the PMC has provided the overall heads of costs for setting-up of one centre of Average Centre Size of our Company, in the following manner:

- (a) Civil works and interiors;
- (b) Mechanical, electrical and plumbing and allied services;
- (c) Medical infrastructure;
- (d) Medical related equipment;
- (e) Consultancy and professional fees; and
- (f) Average security deposit per centre.

*Methodology for computation of estimated costs for each centre:*

The size of our centre varies across regions and is dependent on various factors such as availability of suitable locations, addressable market, lease rentals etc. Our Company proposes to open seven new centres of Average Centre Size across various locations in India as considered necessary and appropriate by our management. The premises for the proposed new centres are expected to be taken on leasehold basis in line with our Company’s past business practices. As on the date of this Draft Red Herring Prospectus, most of the centres of our Company are either on leave and license agreements or leased from third parties. For details see “*Our Business – Properties*” on page 179. The estimate of costs (except average security deposit cost per centre) with respect to setting up of each centre have been certified by the PMC through their certificate dated February 10, 2022, are based on industry standards, prevailing market rates, locations related estimates and adjustments, cost escalation over time, past quotations, rate contracts and historical costs.

The table below sets forth the total estimated costs for seven centres:

			(in ₹ million)
Particulars	Estimated Amount per Average Size Centre	Estimated Amount for seven Average Size Centres	
Civil works and interiors <sup>*A</sup>	62.91		440.37
Mechanical, electrical and plumbing and allied services <sup>*A</sup>	45.52		318.64
Medical infrastructure <sup>*A</sup>	10.25		71.75

Particulars	Estimated Amount per Average Size Centre	Estimated Amount for seven Average Size Centres
Medical related equipment**^	74.62	522.34
Consultancy and professional fees**^	6.69	46.83
Average security deposit per centre**	18.89	101.36
<b>Total estimated costs</b>	<b>218.89</b>	<b>1,501.29</b>

\*As certified by the PMC, Evolve Enterprise Private Limited, by way of their certificate dated February 10, 2022.

\*\*As certified by Manian & Rao, Chartered Accountants, by way of their certificate dated February 10, 2022.

^ Note: above amount includes GST

Set forth below is the detailed break-up of these estimated costs on a unit basis per centre of Average Centre Size:

(a) Civil works and interiors:

Civil works and interiors include, *inter alia*, drywalls, ceiling, core and ancillary civil works, doors and windows, curtain and blinds, modular & loose furniture, flooring & cladding & wallpaper, crash & corner guards, waterproofing, screed levelling, mild steel fabrication, facade, outdoor peripheral, etc. On the basis of the Average Centre Size for one centre, the details of estimated civil works and interiors cost (based on industry standards, prevailing market rates, location related estimates and adjustments, cost escalations over time, past quotations, rate contracts and historical cost), is set forth in the table below as certified by the PMC:

Sr. No.	Material description	Total amount (₹ in million)	Cost per sq.ft. (in ₹)
1	Dry Walls & Related	10.97	365.80
2	False Ceiling (gypsum & modular)	4.96	165.20
3	Finishes & Interior fixtures	8.57	285.56
4	Furniture (modular, fixed & loose)	6.90	230.10
5	Doors (flush & fire doors)	2.83	94.40
6	Flooring (tiles & vinyl)	1.95	64.90
7	Main (core) Civil Works	9.56	318.60
8	Ancillary Civil Works	6.90	230.10
9	Facade Works	3.54	118.00
10	Outdoor Works	1.06	35.40
11	Terrace Works	5.66	188.80
	<b>Total</b>	<b>62.91</b>	<b>2,096.86</b>

Note: above amount includes GST

(b) Mechanical, electrical and plumbing and allied services

Mechanical, electrical and plumbing and allied services include, *inter alia*, expenses including heating, ventilation, and air conditioning, electrical, plumbing, fire-fighting, extra low voltage, diesel generator and uninterruptible power supply, electrical & plumbing fittings & fixtures, etc. On the basis of the Average Centre Size for one centre, the details of estimated cost of mechanical, electrical and plumbing and allied services (based on industry standards, prevailing market rates, location related estimates and adjustments, cost escalations over time, past quotations, rate contracts and historical cost) is set forth in the table below as certified by the PMC:

Sr. No.	Material description	Total amount (₹ in million)	Cost Per sq.ft. (in ₹)
1	Heating, ventilation, and air conditioning	7.61	253.70
2	Electrical (including Panels)	11.86	395.30
3	Plumbing & Allied (PHE)	9.31	310.34
4	Fire Fighting	5.66	188.80
5	Extra low voltage	4.18	139.24
6	Diesel generator and uninterruptible power supply	6.90	230.10
	<b>Total</b>	<b>45.52</b>	<b>1,517.48</b>

Note: above amount includes GST

(c) Medical infrastructure

Medical infrastructure include, *inter alia*, modular operation theatre, medical gas pipeline system, medical gas piping and system bed head unit, pest control, liquefied petroleum gas pipeline miscellaneous medical infrastructure, etc. On the basis of the Average Centre Size for one centre, the details of estimated cost of medical infrastructure (based on industry standards, prevailing market rates, location related estimates and adjustments,

cost escalations over time, past quotations and rate contracts and historical cost) is set forth in the table below as certified by the PMC:

Sr. No.	Material description	Total amount (₹ in million)	Cost per sq. ft. (in ₹)
1	Modular operation theatre	3.89	129.80
2	Medical Gas Piping and System	3.54	118.00
3	Pest Control Treatment	0.18	5.90
4	MGPS Bed Head Unit	0.18	5.90
5	LPG pipeline	0.18	5.90
6	Miscellaneous medical infrastructure	2.29	76.30
<b>Total</b>		<b>10.25</b>	<b>341.80</b>

Note: above amount includes GST

(d) Medical related equipment

Medical related equipment include, inter alia, expenses including critical care equipment, surgical equipment, lab and radiology equipment, medical furniture & other equipment, ambulance and car, information technology & related. On the basis of the Average Centre Size for one centre, the details of estimated cost of medical related equipment (based on industry standards, prevailing market rates, present quotations, rate contracts) is set forth in the table below as certified by the PMC:

Sr. No.	Material description	Total amount (₹ in million)
1	Critical Care Equipment	24.14
2	Surgical Equipment	9.34
3	Diagnostic- Laboratory and Radiology Equipment	21.31
4	Medical Furniture and Other Equipment	11.56
5	Ambulance and Car	2.70
6	Information Technology and related	5.58
<b>Total</b>		<b>74.62</b>

Note: above amount includes GST

Further details of the items under each category of materials:

Material Category	Medical Equipment/ Items	Vendor Name	Validity of quotations	Amount (in ₹)
Critical Care Equipment	Neonatal Omnibed	Wipro GE Healthcare Private Limited	Up to March 31, 2022	2,900,000
	Anesthesia Ventilator System	Mindray Medical India Private Limited	Up to March 31, 2022	2,371,992
	Ventilator	BPL Medical Technologies Private Limited	Up to March 31, 2022	2,296,000
	Neonatal Warmer	Phoenix Medical Systems (P) Limited	Up to March 31, 2022	2,060,002
	Transport Incubator Cum Ventilator	Fanem Medical Devices India Private Limited	Up to March 31, 2022	1,350,000
	Infusion Pumps	Mindray Medical India Private Limited	Up to March 31, 2022	1,330,560
		Philips India Limited	Up to March 31, 2022	1,302,327
	Syringe Pumps	Mindray Medical India Private Limited	Up to March 31, 2022	1,263,526
	Energy System	Johnson & Johnson Private Limited	Up to March 31, 2022	1,260,000
		Vyaire Medical Private Limited	Up to March 31, 2022	951,563
	Fetal Monitor / NST Machine	Wipro GE Healthcare Private Limited	Up to March 31, 2022	660,000
	Fetal Doppler	Mars Tech	Up to March 31, 2022	525,808
	Electro Surgical Unit (Cautery)	Bangalore Surgicals	Up to March 31, 2022	515,200
		Wipro GE Healthcare Private Limited	Up to March 31, 2022	513,000

Material Category	Medical Equipment/ Items	Vendor Name	Validity of quotations	Amount (in ₹)
	Vacuum Assisted Delivery System	Medisil Engineers	Up to March 31, 2022	470,400
		Precious Life Medical Technologies Private Limited	Up to March 31, 2022	410,000
	Multipara Monitor	Mindray Medical India Private Limited	Up to March 31, 2022	403,099
	Defibrillator	Philips India Limited	Up to March 31, 2022	400,000
		Masimo Medical Technologies India Private Limited	Up to March 31, 2022	302,320
	Pulse Oximeter	J K Medical Systems Private Limited	Up to March 31, 2022	294,000
	AGM Module (ETCO2 part of same) with accessories	Mindray Medical India Private Limited	Up to March 31, 2022	275,600
	Phototherapy System	Phoenix Medical System Private Limited	Up to March 31, 2022	264,000
	Standalone resuscitation	Wipro GE Healthcare Private Limited	Up to March 31, 2022	260,000
		Mars Tech	Up to March 31, 2022	248,584
	Humidifier Set	Mars Tech	Up to March 31, 2022	214,150
	Bubble CPAP System with Blender & Humidifier	Hexatron Healthcare Private Limited	Up to March 31, 2022	206,080
	ETCO2 for Monitor	Mindray Medical India Private Limited	Up to March 31, 2022	182,468
	ECG -- 12Ch	Mindray Medical India Private Limited	Up to March 31, 2022	99,150
	NEO PUFF	Mars Tech	Up to March 31, 2022	65,128
	Embrace Warmer	Phoenix Medical System Private Limited	Up to March 31, 2022	24,000
	Miscellaneous (Pulse oximeter, Warmer etc.)	Vibrant Medi solutions	Up to March 31, 2022	720,546
Surgical Equipments	Laproscope Instrument	Vision Medical Technologies	Up to March 31, 2022	2,350,000
	Surgical Instrument	Brink Surgical	Up to March 31, 2022	1,359,461
	Laproscope Instrument	Vision Medical Technologies	Up to March 31, 2022	987,619
	Operation Theatre Table	Diamond Hospital Equipments	Up to March 31, 2022	678,500
	Autoclave Machine	Diamond Hospital Equipments	Up to March 31, 2022	592,360
	Operation Theatre Lights	Diamond Hospital Equipments	Up to March 31, 2022	537,040
	ETO Sterilizer- Fully Automatic	Steri Techno Fab	Up to March 31, 2022	499,140
	Portable OT/LDR Lights	Diamond Hospital Equipments	Up to March 31, 2022	78,400
	Sealing Machine / Continuous Sealing Band machine	Hitech Pack	Up to March 31, 2022	46,846
	Miscellaneous (Blood infusion, misc. installation and equipment)	Vibrant Medi solutions	Up to January 31, 2022	2,206,885
Diagnostic - Lab & Radiology Equipments	Ultrasound Scan Machine	Wipro GE Healthcare Private Limited	Up to March 1, 2022	7,800,000
	Ultrasound Scan Machine	Mindray Medical India Private Limited	Up to March 31, 2022	2,100,000
	Complete ICSI system	Cooper Surgical	Up to March 31, 2022	1,860,323
	Bench top Incubator	Cooper Surgical	Up to March 31, 2022	1,368,087

Material Category	Medical Equipment/ Items	Vendor Name	Validity of quotations	Amount (in ₹)
	Integrated Laminar Air Flow 4x2x2 +TFT monitor Table Size	Cooper Surgical	Up to March 31, 2022	1,189,611
	Vertical laminar air flow cabinet 2ft x 2ft	Cooper Surgical	Up to March 31, 2022	575,568
	CO2 Incubator-105 ltr	Cooper Surgical	Up to March 31, 2022	568,170
	CR System	Fujifilm India Private Limited	Up to March 31, 2022	537,600
	Hearing Machine	Audile Technology	Up to June 30, 2022	330,750
	Ant vibration table	Cooper Surgical	Up to March 31, 2022	329,278
	Nikon Trinocular Stero Zoom Microscope-SMZ 1270	Cooper Surgical	Up to March 31, 2022	293,324
	Jaundice Meter	ARRAY MED	Up to April 30, 2022	265,000
	X-Ray System	Allengers Medical Systems Ltd.	Up to March 31, 2022	258,000
	Air purification system	Cooper Surgical	Up to March 31, 2022	245,254
	Labotect Ovum Aspiration Pump	Cooper Surgical	Up to March 31, 2022	244,942
	Test tube warmer	Cooper Surgical	Up to March 31, 2022	90,720
	Centrifuge	Vijay Enterprises	Up to March 31, 2022	88,128
	Makler chamber	Cooper Surgical	Up to March 31, 2022	58,197
	Samsung CCD Camera	Cooper Surgical	Up to March 31, 2022	39,899
	Microscope with phase contrast optics	Cooper Surgical	Up to March 31, 2022	35,649
	Microscope	D S S Imagetech Private Limited	Up to March 27, 2022	35,020
	Gas line filter	Cooper Surgical	Up to March 31, 2022	34,237
	PH Meter	SAR Healthline (P) Ltd	Up to March 31, 2022	29,500
	Cryocan for Infected patients (small)	Divyam Enterprises	Up to March 31, 2022	18,500
	Disconnect fitting kit	Cooper Surgical	Up to March 31, 2022	6,070
	Block warmer	Cooper Surgical	Up to March 31, 2022	5,670
	Miscellaneous (Cell counter, auto analyzer, Incubator etc.)	Vibrant Medi solutions	Up to March 31, 2022	2,902,603
Medical Furniture & Other Equipments	Kitchen Equipments	Rathin	Up to March 31, 2022	3,130,000
	Patient Beds	Anu Surgicals	Up to March 31, 2022	2,175,330
	SS Items	Anu Surgicals	Up to March 31, 2022	1,689,241
	Gynec Examination Couch	Anu Surgicals	Up to March 31, 2022	666,008
	Birthing Bed	Arjo Huntleigh Healthcare India Private Limited	Up to March 31, 2022	625,600
	Birthing Bed	Paramount Bed India Private Limited	Up to March 31, 2022	495,600
	Baby Bassinet	Fanem Medical Devices India Private Limited	Up to March 31, 2022	346,920
	Bed Side Locker	Anu Surgicals	Up to March 31, 2022	314,352

Material Category	Medical Equipment/ Items	Vendor Name	Validity of quotations	Amount (in ₹)
	Cardiac Table	Anu Surgicals	Up to March 31, 2022	278,480
	Fogger machine with timer	Vibrant Medisolutions	Up to March 31, 2022	29,500
	Fogger machine's Rotter 360 deg	Vibrant Medisolutions	Up to March 31, 2022	25,960
	Miscellaneous (ICU Beds, Hostel equip, ICU beds etc.)	Vibrant Medi solutions	Up to March 31, 2022	1,781,760
Ambulance & Vehicle	Ambulance-Vehicle	Keshav Automobiles	Up to March 31, 2022	1,601,258
	Ambulance-Fabrication	Shri Krishna Industries	Up to March 31, 2022	436,642
	Car	Khivraj Motors	Up to February 15, 2022	662,000
IT and Related	IT-Consumables (HDMI, Wax ribbon, punching tools etc.)	- Printech Colours - Innovative Solutions	Up to March 31, 2022	31,624
	IT-Hardware (Printers, laptops, network swiches etc.)	- Printech Colours - Innovative Solutions - Surabhi Computech - Cloud Unicorn Private Limited	Up to March 31, 2022	4,783,155
	IT-Services (DTH Connection, Internet, PRI etc.)	NXT Tech builders	Up to March 31, 2022	522,191
	IT-Software (Antivirus, Lifetrenz, Ultrasound etc.)	- Cloud Unicorn	Up to March 31, 2022	243,080
	<b>Total</b>			<b>7,46,24,550</b>

(e) Consultancy and professional fees

On the basis of the Average Centre Size for one centre, the details of estimated cost of consultancy and professional fee (based on industry standards, prevailing market rates, location related estimates and adjustments, cost escalations over time, present quotations, and rate contracts) is set forth in the table below which are valid as on date of this DRHP:

Sr. No.	Material description	Total amount (₹ in million)	Cost Per sq. ft. (in ₹)
1	Project management consultancy	6.69	223.02
	<b>Total</b>	<b>6.69</b>	<b>223.02</b>

Note: above amount includes GST

Our Company has not entered into any definitive agreements with any or all of these contractors/vendors in relation to setting up of these proposed new centres and there can be no assurance that the same contractors/vendors would be engaged to eventually supply the materials or engage in services for setting up of these new centres.

As on the date of this Draft Red Herring Prospectus, most of the centres of our Company either are on leave and license agreements or leased from third parties. For details see “*Our Business – Properties*” on page 179. Accordingly, the premises of the proposed new centres are also expected to be taken on a leasehold basis. Therefore, based on the certificate from Manian & Rao, Chartered Accountants (“**Independent Chartered Accountant**”), the estimated average rental deposit per sq.ft. for rental deposit of each proposed new centre is ₹ 482.68/sq. ft aggregating to ₹ 101.36 million for the seven proposed new centres, of an average built-up area of 30,000 sq. ft, each. These rental deposit estimates have been computed by the Independent Chartered Accountant as certified in its certificate dated February 10, 2022 based on average rental deposit paid by our Company in the past.

While our Company proposes to set up the centres and expand our network in line with the expansion plans as set out above, it is possible that based on the availability of suitable location, size of the location, the capital expenditure towards setting up the specific number of new centres may vary from the timeline provided.

### 3. Acquisition of further shareholding in our Subsidiary, Acquity Labs

Pursuant to the Share Purchase Agreement dated December 28, 2021, we intend to acquire remaining 49.00 %



shareholding in our Subsidiary, Acquity Labs. As on the date of this Draft Red Herring Prospectus, we own 51.00% in our Subsidiary, Acquity Labs. For details please see “**History and Certain Corporate Matters – Our Subsidiary**” on page 195. This acquisition is subject to completion of certain customary condition precedents. For details please see “**History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years**” on page 193. Once acquired, Acquity Labs shall become a wholly owned Subsidiary of our Company.

Acquity Labs is engaged in the business of (a) provision of lab services such as new-born screening, prenatal screening, vitamin d screening, etc.; and (b) such other activities as are necessary in furtherance of the preceding purpose and permitted activities under its articles of association. Pursuant to the Share Purchase Agreement, our Company shall have an option to purchase 49 % shareholding in Acquity Labs from the sellers on or prior to March 31, 2023. Through this acquisition in Acquity Labs, we will be able to insource all new born screening services.

We intend to utilize ₹127.10 million from the Net Proceeds, towards this acquisition.

#### **4. General corporate purposes**

Our Company intends to deploy any balance left out of the Net Proceeds towards our general corporate purposes, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25.00% of the Net Proceeds from the Fresh Issue, in compliance with the SEBI ICDR Regulations.

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

- (i) any further investments in our Subsidiary;
- (ii) servicing our repayment obligations (principal and interest) under our future financing arrangements;
- (iii) working capital requirements;
- (iv) meeting ongoing general corporate purposes or contingencies;
- (v) setting up new centres, enhancing current centres or replacement of medical equipment; and/or
- (vi) strategic growth initiatives.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilizing surplus amounts, if any.

#### **Means of Finance**

The fund requirements for all objects are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals.

#### **Offer Expenses**

All costs in relation to the Offer (*other than the listing fee and all corporate publicity, other than strictly Offer-related advertisements, which shall be solely borne by the Company*) shall be shared between the Company and the Selling Shareholders in accordance with Applicable Laws, upon the successful completion of the Offer. It is clarified that all the payments shall be made first by the Company on behalf of such Selling Shareholders and each of the Selling Shareholders agree that it shall reimburse the Company, severally and not jointly, on a pro-rata basis, in proportion to its respective portion of the shares they have offered and sold in the Offer. All intermediaries appointed in relation to the IPO shall be appointed by the Company in consultation with the Selling Shareholders.

The total expenses of the Offer are estimated to be approximately ₹ [•] million.

The expenses of this Offer include, amongst others, listing fees, underwriting fees, selling commission, fees payable to the BRLMs, fees payable to legal counsels, fees payable to statutory auditors, fees payable to the Registrar to the Offer, Escrow Bank and Sponsor Bank to the Offer, processing fee to the SCSBs for processing

ASBA Forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, Collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The estimated Offer related expenses are as follows:

(₹ in million)				
S. No	Activity	Estimated amount <sup>(1)</sup>	As a % of total estimated Offer Expenses <sup>(1)</sup>	As a % of Offer Size <sup>(1)</sup>
1.	BRLMs fees and commissions (including underwriting commission)	[•]	[•]	[•]
2.	Brokerage, selling commission, bidding charges, processing fees and bidding charges for the Members of the Syndicate, Registered Brokers, SCSBs, RTAs and CDPs <sup>(2)(3)(4)(5)(6)</sup>	[•]	[•]	[•]
3.	Advertising and marketing expenses for the Offer	[•]	[•]	[•]
4.	Other expenses	[•]	[•]	[•]
	(i) Listing fees, SEBI filing fees, BSE and NSE processing fees, book building software fees,			
	(ii) Other regulatory expenses,	[•]	[•]	[•]
	(iii) Printing and stationery expenses	[•]	[•]	[•]
	(iv) Fees payable to the legal counsel			
	(v) Fees payable to other advisors to the Offer			
	(vi) Miscellaneous			
<b>Total Estimated Offer Expenses</b>		[•]	[•]	[•]

(1) Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price

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

Portion for Retail Individual Investors*	[•]% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Investors*	[•]% of the Amount Allotted* (plus applicable taxes)
Portion for Eligible Employees	[•]% (plus applicable goods and services tax)

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

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

(3) Processing fees payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Individual Investors	₹[•] per valid application (plus applicable taxes)
Portion for Non-Institutional Investors	₹[•] per valid application (plus applicable taxes)

(4) The Processing fees for applications made by Retail Individual Investors using the UPI Mechanism would be as follows:

Members of the Syndicate / RTAs / CDPs	₹[•] per valid application (plus applicable taxes)
Sponsor Bank	[•] per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.

\*For each valid application

(5) Selling commission on the portion for Retail Individual Investors and Non-Institutional Investors which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:

Portion for Retail Individual Investors	[•]% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Investors	[•]% of the Amount Allotted* (plus applicable taxes)

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

(6) Bidding charges of ₹ [•] (plus applicable taxes) shall be paid per valid Bid cum Application Form collected by the Syndicate, RTAs and CDPs (excluding applications made by Retail Individual Investors using the UPI mechanism). The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges. No additional bidding charges shall be payable to SCSBs on the Bid cum Application Forms directly procured and bid by them.

(7) Selling commission payable to the Registered Brokers on the portion for Retail Individual Investors and, Non-Institutional Investors which are directly procured by the Registered Brokers and submitted to SCSB for processing, shall be ₹ [•] per valid Bid cum Application Form (plus applicable taxes).

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will

*be payable to the SCSB and not the Syndicate / Sub-Syndicate Member. The selling commission and bidding charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE.*

*In addition to the selling commission referred to above, any additional amount(s) to be paid by our Company and Selling Shareholders shall be as mutually agreed amongst the Book Running Lead Managers, their respective Syndicate Members, our Company and Selling Shareholders before the opening of the Issue.*

The processing fees for applications made by Retail Individual Investors using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

### **Monitoring of Utilisation of Funds**

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the utilisation of Net Proceeds prior to the filing of the Red Herring Prospectus with the RoC, as the Fresh Issue size exceeds ₹ 1,000 million. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the Net Proceeds have been utilised in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose and continue to disclose, the utilization of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised, till the time any part of the Fresh Issue proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our quarterly consolidated results.

Further, our Company shall, on a quarterly basis, include the deployment of Net Proceeds under various heads, as applicable, in the notes to our consolidated financial results. As our Company intends to utilize a portion of the Net Proceeds towards potential acquisitions and strategic initiatives, details pertaining to such acquisitions, initiatives or any inorganic growth initiative, as and when undertaken, will be published on the website of the Company and will be disclosed to the Stock Exchanges in accordance with Regulation 30 and Part A of Schedule III, of the SEBI Listing Regulations.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the Net Proceeds from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the Net Proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above.

### **Interim use of Net Proceeds**

Pending utilization of the Net Proceeds for the purposes described above, our Company undertakes to deposit the Net Proceeds only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended in accordance with the SEBI ICDR Regulations and as may be approved by our Board or any duly constituted committee thereof.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

### **Bridge Financing Facilities**

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities, including through secured

or unsecured loans or any short-term instrument like non-convertible debentures, commercial papers etc. pending receipt of the Net Proceeds.

#### **Appraising Entity**

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

#### **Other Confirmations**

No part of the Net Proceeds will be paid by our Company as consideration to any of our Directors, or our Key Managerial Personnel.

Our Company has not entered into and is not planning to enter into any arrangement/ agreements with our Directors, or Key Managerial Personnel in relation to the utilisation of the Net Proceeds. Further, there are no existing or anticipated interest of such individuals and entities in the objects of the Offer.

#### **Variation in Objects**

Our Company shall not vary the objects of the Offer, as envisaged under Sections 13(8) and 27 of the Companies Act and applicable rules, without our Company being authorised to do so by the Shareholders by way of a special resolution.

There are no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with any of our Directors or Key Managerial Personnel, and no part of the Net Proceeds will be paid to our Directors or our Key Managerial Personnel, except in the ordinary course of business. Our Company does not have any promoters or promoter group as on the date of this Draft Red Herring Prospectus.

## BASIS FOR OFFER PRICE

The Price Band will be determined by our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the Book Running Lead Managers, and the Offer Price will be determined by our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the Book Running Lead Managers, on the basis of the Book Building Process and the quantitative and qualitative factors as described below. The face value of the equity shares is ₹ 5 each and the Offer Price is [•] times the face value at the lower end of the Price Band and [•] times the face value at the higher end of the Price Band. Investors should refer to “*Risk Factors*”, “*Our Business*”, “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 27, 152, 217 and 279, respectively, to have an informed view before making an investment decision.

### Qualitative factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

- *Leading specialised mother and baby care chain operating in a fast growing market;*
- *Differentiated, comprehensive and customer-focused approach to the perinatal journey;*
- *Clinical excellence and advanced medical technologies to deliver quality healthcare;*
- *Integrated digital ecosystem and proprietary technology stack for customers, doctors and staff;*
- *Ability to attract, train and retain high-quality doctors and staff;*
- *Scalable model and disciplined approach for growth;*
- *Stable and robust financial performance with greater predictability; and*
- *Experienced management team and marquee investors*

For further details, see “*Our Business – Competitive Strengths*” on page 158.

### Quantitative factors

Some of the information presented in this section relating to our Company is derived from the Restated Consolidated Financial Information. For details, see “*Summary Financial Information*” beginning on page 67.

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”), derived from Restated Consolidated Financial Information*

Financial Period	Basic EPS <sup>(1)</sup> (in ₹)	Diluted EPS <sup>(2)</sup> (in ₹)	Weightage
Financial Year ended March 31, 2021	(8.30)	(8.30)	3
Financial Year ended March 31, 2020	(7.05)	(7.05)	2
Financial Year ended March 31, 2019	(15.67)	(15.67)	1
<b>Weighted Average</b>	<b>(9.11)</b>	<b>(9.11)</b>	
Period ended September 30, 2021*	(2.38)	(2.38)	
Period ended September 30, 2020*	(4.34)	(4.34)	

\*Not annualised

(1) Basic EPS (₹) = Profit/(loss) for the year/period attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding at the end of the year/period.

(2) Diluted EPS (₹) = Profit/(loss) for the year/period attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding at the end of the year/period. Basic and diluted earnings per share are computed in accordance with Indian Accounting Standard 33 ‘Earnings per Share’, notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended).

(3) Weighted average number of shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of shares issued during the period multiplied by the time weighting factor. The time weighting factor is the number of days for which the Equity Shares are outstanding as a proportion of total number of days during the period.

(4) Subsequent to September 30, 2021, there is split in face value of equity share from ₹ 10 to ₹ 5 each held on record date. These changes have been considered retrospectively for the purpose of calculation of the basic and diluted earnings per equity share

## 2. Price to Earning ("P/E") Ratio in relation to the Price Band of ₹ [•] to ₹ [•] per Equity Share

Particulars	P/E ratio at the lower end of the Price Band (number of times)*	P/E ratio at the higher end of the Price Band (number of times)*
Based on Basic EPS for the financial year ended March 31, 2021	[•]	[•]
Based on Diluted EPS for the financial year ended March 31, 2021	[•]	[•]

\*will be populated in the Prospectus

### Industry Peer Group P/E ratio

Particulars	Face value of equity shares (in ₹)
Highest	415.02
Lowest	N.A.
Industry Composite	N.A.

Notes:

(1) The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see "– Comparison with listed industry peers" on page 115.

(2) The industry P/E ratio mentioned above is as on financial year ended March 31, 2021.

(3) Since P/E Ratio of one of the peers cannot be calculated, hence lowest and industry composite P/E ratio cannot be derived.

## 3. Return on Net Worth (RoNW)

Financial Period	RoNW, as derived from the Restated Consolidated Financial Information (%)	Weightage
Financial Year ended March 31, 2021	(17.24)	3.00
Financial Year ended March 31, 2020	(12.78)	2.00
Financial Year ended March 31, 2019	(27.29)	1.00
<b>Weighted Average</b>	<b>(17.43)</b>	
Six months ended September 30, 2021*	(4.54)	
Six months ended September 30, 2020*	(8.53)	

\*Not annualised

1. Return on Net Worth (%) = Restated profit / (loss) for the period / year as divided by Equity attributable to the owners of the Company, as at the end of the period / year.

2. Net worth means the aggregate value of the paid up share capital of the Company and all reserves created out of profits and securities premium account and credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per Restated Consolidated Financial Information of Assets and Liabilities of the Company but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

## 4. Net Asset Value per Equity Share

Fiscal/ Period Ended	NAV derived from the Restated Consolidated Financial Information (₹)
As on September 30, 2021	52.31
As on March 31, 2021	48.14
After the completion of the Offer*	At the Floor Price: [•] At the Cap Price: [•]
Offer Price*	[•]

\*Offer Price per Equity Share will be determined on conclusion of the Book Building Process and this is not derived from Restated Consolidated Financial Information.

Notes: Net Asset Value per Equity Share: Equity attributable to owners of the Company divided by weighted average numbers of equity shares outstanding during the year. Note: Subsequent to September 30, 2021, there is split in face value of equity share from ₹ 10 to ₹ 5 each held on record date. These changes have been considered retrospectively for the purpose of calculation of the Net Asset Value per Equity Share

## 5. Comparison of Accounting Ratios with Listed Industry Peers

Name of the company	Consolidated / Standalone	Total Income for Fiscal 2021 (₹ in million)	Face Value per Equity Share (₹)	P/E(3)	EPS for Fiscal 2021 (₹)		Return on Net Worth ('RoNW') for Fiscal 2021 (%) (4)	Net Asset Value/ Share as at March 31, 2021 (₹) (2)
					Basic	Diluted(1)		
Company*	Consolidated	5,665.65	5	[.]	(8.30)	(8.30)	(17.24)	48.14
<b>Peer Group</b>								
Apollo Hospitals Enterprise Limited	Consolidated	106,050.00	5	415.02	10.74	10.74	3.30%	320.10
Fortis Healthcare Limited	Consolidated	40,766.80	10	NA	(1.45)	(1.45)	(0.75%)	81.06
Narayana Hrudalaya Limited	Consolidated	26,105.22	10	NA	(0.70)	(0.70)	(1.46%)	54.82
Max Healthcare Institute Limited	Consolidated	26,194.10	10	NA	(1.59)	(1.59)	(2.47%)	58.37
Krishna Institute of Medical Sciences Limited	Consolidated	13,401.02	10	51.00	26.87	26.42	23.74%	111.32

Based on Restated Consolidated Financial Information.

# Financial Information of the Peer group companies has been sourced from the financial statements for the year ended March 31, 2021 as disclosed on the website of the Stock Exchanges

Notes:

1) Diluted EPS refers to the Diluted EPS sourced from the financial statements of the respective peer group companies for the year ended March 31, 2021.

(2) NAV is computed as the closing net worth divided by the closing outstanding number of equity shares as on March 31, 2021.

(3) P/E Ratio has been computed based on the closing market price of equity shares on NSE on January 31, 2022, divided by the Diluted EPS provided under Note 1 above.

(4) RoNW is computed as net profit after tax (including profit attributable to non-controlling interest) divided by closing net worth. Closing net worth has been computed as sum of paid-up share capital and other equity as on March 31, 2021

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

The Offer Price of ₹ [•] has been determined by our Company, acting through the IPO Committee, and the Selling Shareholders in consultation with the BRLMs, on the basis of assessment of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Prospective investors should read the above-mentioned information along with “**Risk Factors**”, “**Our Business**”, “**Financial Statements**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 27, 152, 217 and 279, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “**Risk Factors**” beginning on page 27 and you may lose all or part of your investments.

## STATEMENT OF SPECIAL TAX BENEFITS

To,

### **The Board of Directors**

Kids Clinic India Limited (formerly known as Kids Clinic India Private Limited),  
No 1533, 9<sup>th</sup> Main, 3<sup>rd</sup> Block, Jayanagar,  
Bengaluru 560-011,  
Karnataka, India

Dear Sirs,

### **Sub: Statement of possible special tax benefits available to Kids Clinic India Limited (“the Company”) and its shareholders under direct and indirect tax laws.**

We refer to the proposed initial public offering of the equity shares (the “Offer”) of Kids Clinic India Limited (formerly known as Kids Clinic India Private Limited), (“the Company”). We enclose herewith the statement (the “**Annexure**”) showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the Income-tax Act, 1961, as amended by the Finance Act 2021 as presently in force and applicable to the assessment year 2022-23, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, Customs Act, 1962 and Foreign Trade Policy 2015-2020 (as extended) including the rules, regulations, circulars and notifications issued thereunder (the “Tax laws”), relevant to the financial year 2021-22 for inclusion in the Draft Red Herring Prospectus (“DRHP”) for the proposed initial public offering of equity shares of the Company, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”).

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax laws. Hence, the ability of the Company or its shareholders to derive these direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the near future and accordingly, the Company or its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company and on basis of our understanding of the business activities and operations of the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

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

- The Company or its Shareholders will continue to obtain these possible special tax benefits in future;
- The conditions prescribed for availing the possible special tax benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include this report and the enclosed Annexure regarding the tax benefits available to the Company and to its shareholders in the DRHP for the proposed public issue/offer for sale of shares which the Company intends to submit to the Securities and Exchange Board of India, the registrar of companies, Bengaluru at Karnataka and the stock exchange(s) provided that the below statement of limitation is included in the DRHP.

### **LIMITATIONS**

*Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are*



*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 and the existing provisions of tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors and third parties who may or may not invest in the proposed initial public offer relying on the statement.*

*This statement has been prepared solely in connection with the proposed initial public offering of Equity shares by the Company under the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.*

Yours faithfully,

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 008072S)

**Jaideep S. Trasi**  
Partner  
(Membership No. 211095)

Place: Bengaluru  
Dated: February 10, 2022  
UDIN: 22211095ABEFOH5674

## ANNEXURE

### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO KIDS CLINIC INDIA LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

The information provided below sets out the possible special tax benefits available to Kids Clinic India Limited, ("the Company") and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the current Tax Laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business / commercial imperatives a shareholder faces, may or may not choose to fulfill. 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. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

**INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENT AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION ON THE BENEFITS, WHICH AN INVESTOR CAN AVAIL IN THEIR PARTICULAR SITUATION.**

#### **I. Special tax benefits available to the Company**

##### **1. Deduction under section 35AD:**

Subject to the fulfilment of prescribed conditions, the Company will be entitled to claim a deduction in respect of capital expenditure incurred for any purposes of specified business carried on by it as per Section 35AD of the Income-tax Act, 1961 ('the Act').

Specified business for the purpose of Section 35AD includes building and operating of a new hospital with a minimum capacity of 100 beds.

The Company has not opted for concessional tax rate under section 115BAA of the Act and hence, the deduction under section 35AD is available. However, the deduction under section 35AD is not available if the Company opts for concessional tax rate under section 115BAA of the Act.

##### **2. Deductions from Gross Total Income**

- Deduction under section 80G is available in respect of any donations made to certain funds, charitable institutions, etc. subject to satisfaction of conditions therein.

The Company has not opted for concessional tax rate under section 115BAA of the Act and hence, the deduction under section 80G is available. However, the deduction under section 80G is not available if the Company opts for concessional tax rate under section 115BAA of the Act.

- Deduction under section 80JJAA:

The Company is entitled to claim a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under section 80JJAA of the Act, subject to the fulfilment of prescribed conditions therein.

The deduction under section 80JJAA is available even if the Company opts for concessional tax rate under section 115BAA of the Act.

- Deduction under section 80M:

As per the provisions of Section 80M of the Act, dividend received by the Company from any other domestic company or a foreign company, or business trust shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be lower of amount of dividend income received or the amount of dividend distributed by the Company to its shareholders on or before one month prior to due date of filing of its Income-tax return under sub-section (1) of section 139 of the Act for the relevant year.

The deduction under section 80M is available even if the Company opts for concessional tax rate under section 115BAA of the Act.

### 3. Exemption from goods and services tax on healthcare services:

The Company is entitled to exemption from payment of “Goods and Services Tax” on the “Healthcare Services” provided as per sl.no.74 of the Notification 12/2017- Central Tax (Rate), Dated: June 28, 2017.

Healthcare is defined under the above Notification as:

*"health care services" means any service by way of diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognised system of medicines in India and includes services by way of transportation of the patient to and from a clinical establishment, but does not include hair transplant or cosmetic or plastic surgery, except when undertaken to restore or to reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, injury or trauma*

Further, the Company would not be eligible to avail tax credit of “goods and services tax” paid on inputs, input services and capital goods which are used in relation to providing healthcare services services which are exempted as per above discussed Notification.

## II. Special tax benefits available to Shareholders

Apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits for shareholders

### NOTES:

1. The above benefits are as per the current tax law as amended by the Finance Act, 2021.
2. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders/investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.
3. The Company has not opted for concessional rate of tax under section 115BAA. Accordingly, the Company would be liable for payment of tax at normal rates. In addition to the tax, surcharge would be levied at the rate of 7% where the total income exceeds INR one crore but does not exceed INR ten crores and at the rate of 12% where the income exceeds INR ten crores. Health and Education Cess is levied at 4% on the tax and surcharge.
4. If the Company subsequently opts for the concessional income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions/ exemptions:
  - Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
  - Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
  - Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
  - Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)

- Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
- Deduction under section 35CCD (Expenditure on skill development)
- Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA (Deduction in respect of employment of new employees) and 80M (Deduction in respect of certain inter-corporate dividends);
- No set-off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above.
- No set-off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred to in clause

The provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable if the Company opts for the concessional income tax rate as prescribed under section 115BAA of the Act. Further, the Company will not be entitled to claim tax credit relating to MAT.

If the Company opts for concessional income tax rate under section 115BAA of the Act, the tax shall be payable at the rate of 22% and surcharge at the rate of 10% irrespective of the amount of total income and Health and Education Cess at 4% on the tax and surcharge.

## SECTION IV- ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled “Assessment of the healthcare delivery market in India” dated December 2021 (the “**CRISIL Report**”), prepared and issued by CRISIL Research appointed on October 26, 2021 pursuant to an engagement letter entered into with our Company, exclusively commissioned and paid for by our Company in connection with the Offer. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. A copy of the CRISIL Report shall be available on website of our Company at <https://www.cloudninecare.com/others/investors> in compliance with applicable laws. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

While preparing its report, CRISIL Research has also sourced information from publicly available sources, including our Company’s financial statements available publicly. However, financial information relating to our Company presented in other sections of this Draft Red Herring Prospectus has been prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations. Accordingly, the financial information of our Company in this section is not comparable with Ind AS financial information presented elsewhere in this Draft Red Herring Prospectus.

### MACROECONOMIC OVERVIEW OF INDIA

#### A review of India’s GDP growth

##### ***GDP grew at 6.6% CAGR from Fiscal 2012 to 2020***

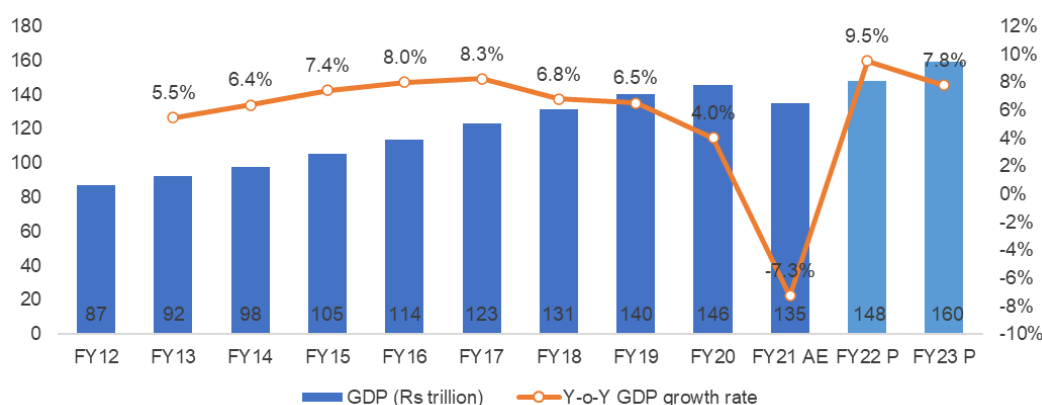
In 2015, the Ministry of Statistics and Programme Implementation (MoSPI) changed the base year for calculating India’s GDP between Fiscal 2005 and 2012. Based on this, the country’s GDP increased at an eight-year CAGR of 6.6% to ₹ 146 trillion in Fiscal 2020 from ₹ 87 trillion in Fiscal 2012.

Fiscal 2021 has been a challenging year for the Indian economy, primarily due to COVID-19 pandemic. GDP contracted 7.3% (in real terms) in Fiscal 2021, after growing 4.0% in Fiscal 2020.

##### ***Fiscal 2022 base case GDP growth expected to be 9.5% followed by 7.8% growth in Fiscal 2023***

India is getting back on its feet slowly, with divergent growth trends. Though data suggests there has been some pick-up in recent months, recovery is weak and uneven.

**Real GDP growth in India (new GDP series)**



*Note: AE: Advance estimates P: Projection*

*Source: Advance estimates of Annual National Income 2020-21, Central Statistics Office (CSO), MoSPI, CRISIL Research*

Fiscal 2022 is also seen emerging as a story of two halves. The first half will be characterised by a base effect-driven recovery amid the challenge associated with resurgence in COVID-19 infections. But the second half should see a more broad-based growth, as vaccine rollout and herd immunity support sectors that are lagging. Monetary policy has begun normalising, and some tightness in domestic financial conditions is inevitable. Against this backdrop, policy support remains critical, apart from action in the external environment.

In Fiscal 2021, the policy response to the pandemic focused more on damage control and measures to support the economy. In the current Fiscal, the government is expected to normalise some of the extraordinary or unconventional policy moves, while trying to ensure there is smooth revival in growth. This will pertain to most of the services sectors, especially contact-based travel, tourism, and entertainment. Also, stronger global growth should support India's exports to some extent. Revival will not be uniform across sectors, though. So far, the rural economy has been more resilient than the urban.

The prospects for an economic recovery have brightened further with the COVID-19 caseload plunging and vaccinations moving at a healthy pace over the past several weeks. This is evident from the continued improvement in high-frequency indicators. The RBI's latest consumer confidence survey also indicated an improved sentiment.

CRISIL forecasts India's GDP growth to rebound to 9.5% in Fiscal 2022 as four drivers converge:

**Weak base:** A 7.3% contraction in GDP in Fiscal 2021 will provide a statistical push to growth next Fiscal.

**Global upturns:** Higher global growth in 2021, i.e., world GDP up by 5.0%, advanced economies 4.3%, emerging economies 6.3%, should lift exports.

**COVID-19 curve:** India is witnessing the second wave of COVID-19 infections and at the same time learning to live with the virus, with the rollout of vaccines. These should broaden growth this Fiscal, especially in the services and unorganised sectors.

**Fiscal push:** Stretch in the Fiscal glide path and focus of the Union Budget 2021-22 on capex are expected to have a multiplier effect on growth.

### ***Risks to the Fiscal 2022 forecast***

The base case of 9.5% GDP growth assumes that COVID-19 restrictions will continue, and mobility will remain affected in some form or other during H2 Fiscal 2022. The pace of economic recovery will also be a function of what the pace of vaccination is in the coming months. CRISIL Research finds that countries with over 40% of their population vaccinated are seeing a faster and more broad-based economic recovery. The government plans to vaccinate India's entire adult population (68% of total population) by this December – a tall order even if there are sufficient vaccines available. CRISIL's base case is 70% of the adult population vaccinated by December. India has completed 28% population vaccinated by 2<sup>nd</sup> dose and 55% population covered with 1<sup>st</sup> dose of vaccination as of mid-November 2021.

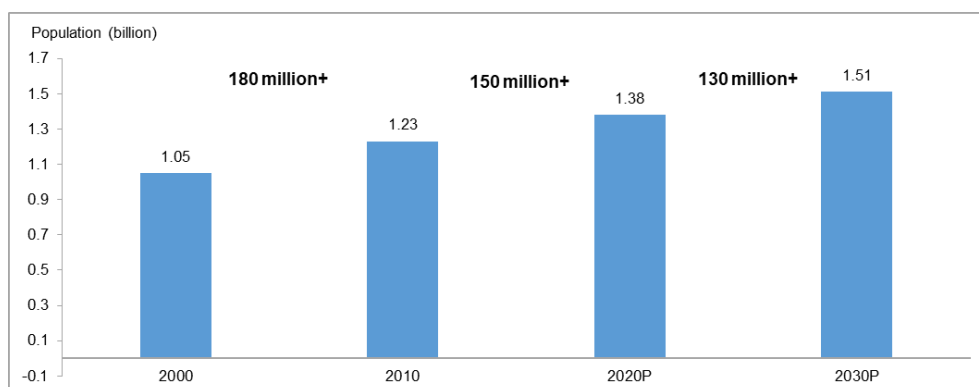
A third wave would pose a significant downside risk to the growth forecast, as would a slower-than-anticipated pace of vaccination. In such a pessimistic case, CRISIL sees GDP growing at 8% in Fiscal 2022.

### **Fundamental growth drivers of GDP**

#### ***By 2030, India's population is projected to touch 1.51 billion***

According to the 'World Urbanization Prospects: The 2018 Revision' by the United Nations, India and China, the top two countries in terms of population, accounted for nearly 37% of the world's population in 2015. The report projects India's population to increase at 1% CAGR to 1.5 billion by 2030, making it the world's most populous country, surpassing China (with 1.4 billion people by 2030).

### ***India's population growth***



*P: Projected*

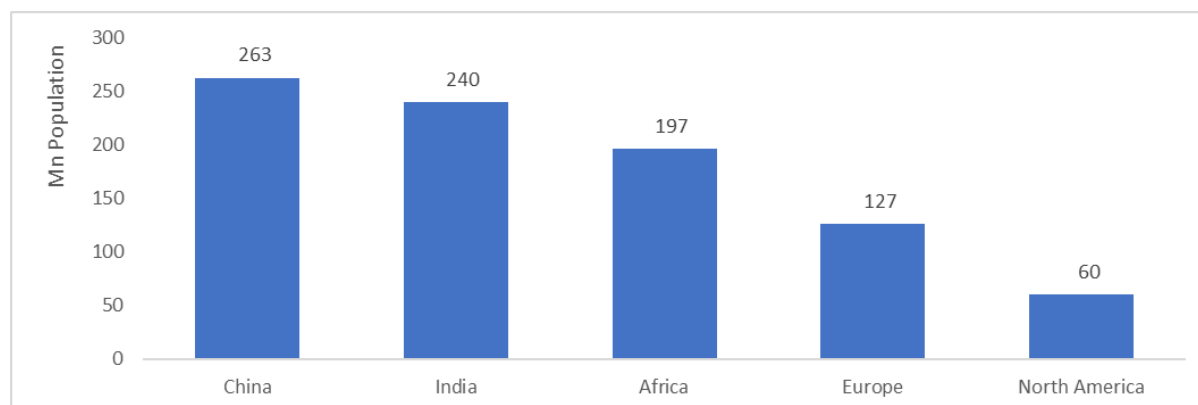
*Source: World Urbanization Prospects: The 2018 Revision, United Nations, CRISIL Research*

### ***India has more female under reproductive age than whole of Africa or Europe region***

India has a 924 females per 1,000 males for the year 2020, as per UN population estimates. This translates to female population share of 48% in the overall demographic.

India has nearly 240 million females in the reproductive age of 25-49 years and ranked second after China which reported 263 million females in the reproductive age of 25-49 years as of 2020. The demographic profile of India is still young with bulge in age group of 10-24 years in 2020. Over the next 30 years India will still continue to have higher number of young and mid-age people with the demographic profile changing to nearly equally distributed age groups with population increasing from 1.3 billion in 2020 to 1.7 billion in 2050. Thus, India will continue to have higher number of young adults in reproductive age-group.

### ***Women of reproductive age (15–49 years): 2020***

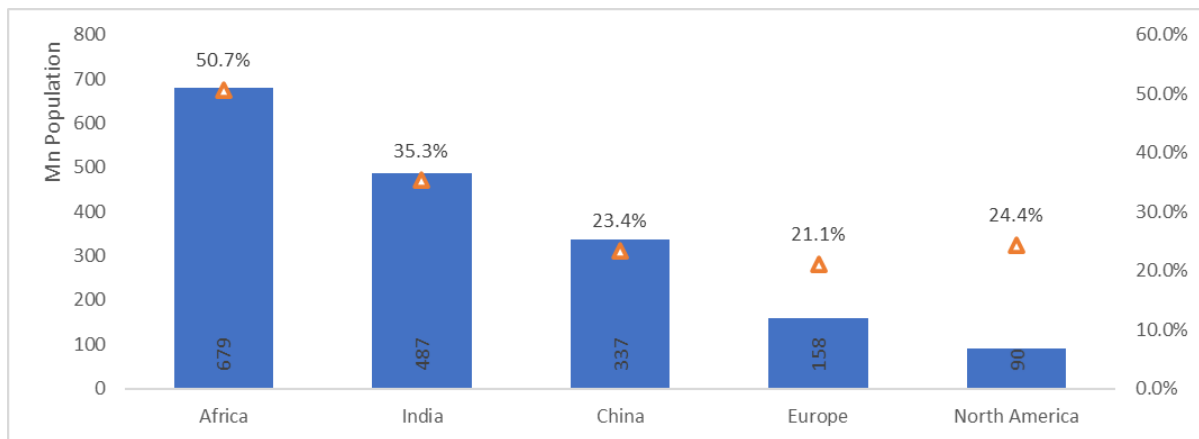


*Source: UN World Population estimates, CRISIL Research*

### ***India has higher adolescents populations in comparison to China***

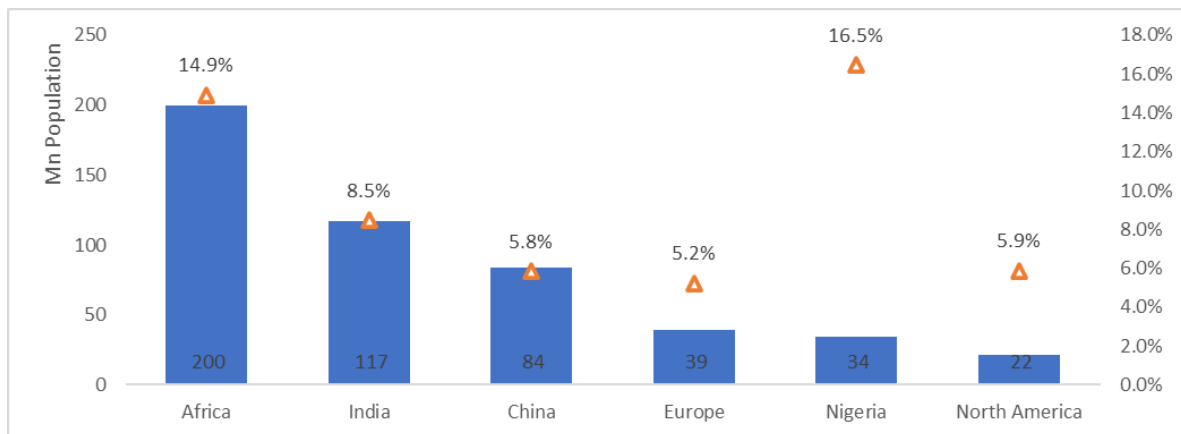
India ranks first among various countries in terms of adolescents population. When compared to regions, India ranks lower than Africa region in terms of adolescents population number and its share in overall population. India has total 487 million adolescents in the year 2020, whereas Africa reported adolescents population of 679 million for 2020. India reported 8.5% of the total population under the age of 5 (0-4yrs) in 2020 with 116 million kids. India registered 2.5-2.6 million live birth on annual basis over the last five to seven years period.

### ***Adolescents age group in demographic profile: 2020***



% share represents age group as a percentage of total population  
Source: UN World Population estimates, CRISIL Research

### ***Kids below the age of 5 years in demographic profile: 2020***



% share represents age group as a percentage of total population  
Source: UN World Population estimates, CRISIL Research

### ***Urbanisation likely to reach 40% by 2030***

According to World Urbanization Prospects: The share of India's urban population, in relation to its total population, has been rising over years and printed approximately 31% in 2010. This trend will continue, with the United Nations report projecting nearly 40% of the country's population will live in urban areas by 2030. India added 90 million urban population between 2010 and 2000 and another 10 million between 2010 and 2020. Thus, urban population has been growing faster. This trend is expected to continue and India will add another 120 million urban population by 2030.

The faster growth in urbanisation will benefit private healthcare spends with rise in wallet size for basic healthcare and increase in aspirational spends.

### ***India's per capita income rose at a healthy pace between Fiscal 2012 and 2020***

India's per capita income, a broad indicator of living standards, rose from ₹ 63,642 in Fiscal 2012 to ₹ 94,556 in Fiscal 2020, at 5.1% CAGR. This growth was led by better job opportunities, propped up by overall GDP growth. Moreover, population growth remained fairly stable at approximately 1% CAGR.



### Per capita net national income at constant prices

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY12-20 CAGR	FY21AE
Per capita net national income (Rs)	63,462	65,538	68,572	72,805	77,659	82,931	87,828	92,241	94,556		85,929
On-year growth (%)	2.1	3.3	4.6	6.2	6.7	6.8	5.9	5.0	2.5	5.1	-9.1

AE: Advance estimates

Source: Second advanced estimates of Annual National Income, 2020-21, CSO, MoSPI, CRISIL Research

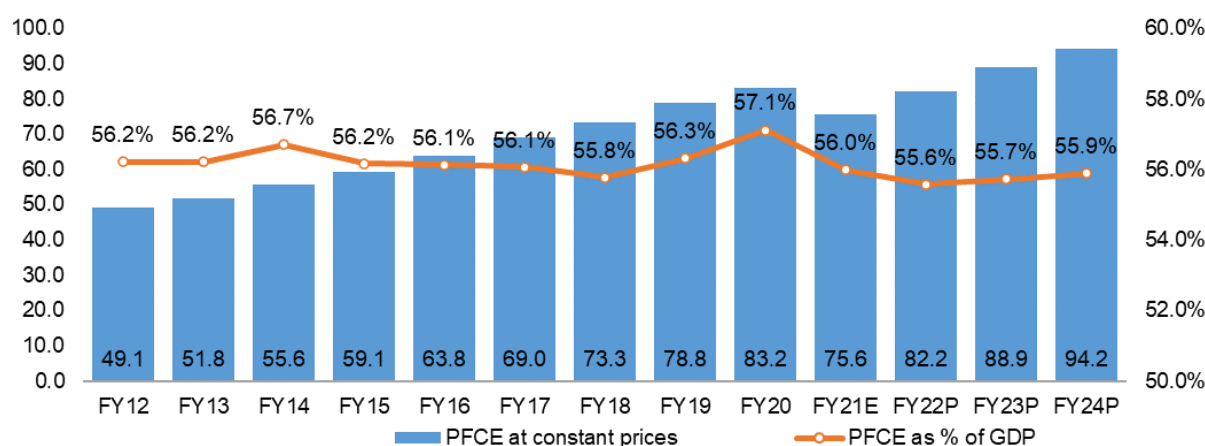
### Review of private final consumption growth

#### Private final consumption expenditure to maintain dominant share in GDP

Private final consumption expenditure (PFCE) at constant prices clocked 6.8% CAGR between Fiscal 2012 and 2020, maintaining its dominant share in the GDP pie, at approximately 57% or ₹ 83.3 trillion. Factors contributing to this growth included good monsoons, wage revisions due to the implementation of the Pay Commission's recommendations, benign interest rates, and low inflation. PFCE declined in Fiscal 2021 on account of the pandemic, where consumption demand was impacted on account of strict lockdown, employment loss, limited disposable spending and disruption in demand-supply dynamics.

#### PFCE (at constant prices)

₹ Trillion



P: Projected E: Estimated

Source: Second advance estimates of national income 2020-21, CSO, MoSPI, CRISIL Research

#### Consumption expenditure on health increased at faster clip at 9.7% between Fiscal 2012 and Fiscal 2020

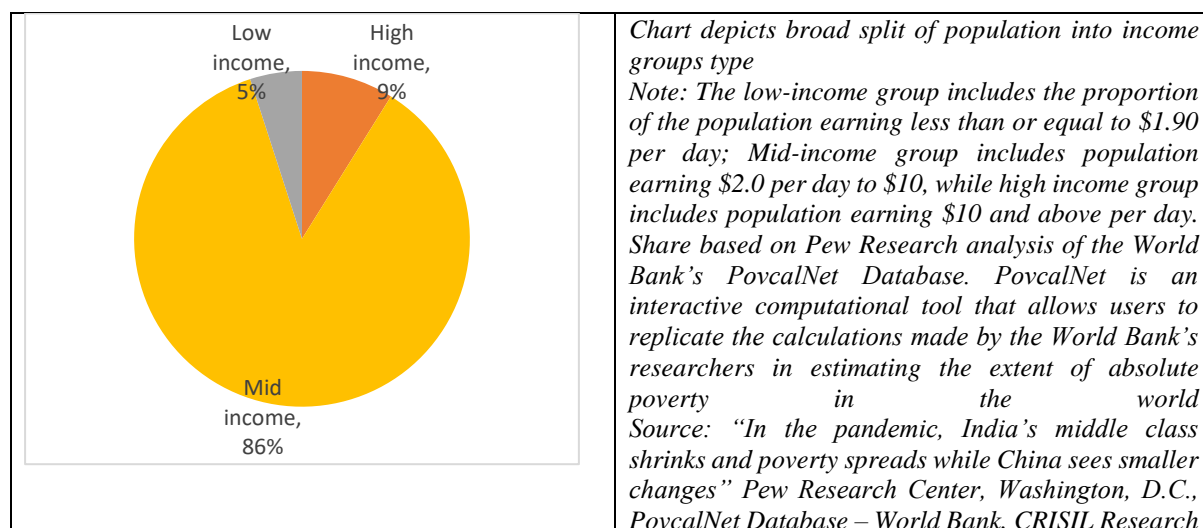
PFCE on health increased at 9.7% CAGR between Fiscal 2012 and 2020 faster than overall PFCE growth at 6.7%. Share of Health PFCE in overall PFCE has increased from 3.7% in Fiscal 2012 to 4.6% in Fiscal 2020 at constant prices. Inflation rate for health sub-group has largely been in the range of 4-5% except for Fiscal 2019 and 2020, when the inflation rate was at 7.1% and 6.3%.

#### Decline in poverty levels indicates rise in middle- and high-income group in India

The World Bank, in its report Global Economic Prospects, January 2019, estimates the number of poor (defined as those living at or below the international poverty line of purchasing power parity of \$1.90 per day) in India dropped from 405 million people in 1981 to 175 million in 2015. The share of poor in India's total population declined from 57.4% to approximately 13.4% over the period, and was estimated at 8.4% in 2018. Poverty has declined thanks to improvement in macroeconomic parameters such as growth of the economy, employment rate and income equality, and adoption of employment and other public welfare schemes by the government.

A positive economic outlook along with growth across key employment-generating sectors, such as real estate, infrastructure and automobiles, is expected to have a cascading effect on overall per capita income levels in the medium to long term. This will drive consumption expenditure as well as basic and discretionary spending.

### 95% of Indian population is in mid to high income group category



## Overview of maternity and childbirth in India

### India reported significant improvement in maternity care since Fiscal 2015

India reports around 36-37 million pregnancies every year and roughly 70,000 live births every day representing one sixth of the world's child births. This translates to 25-26 million live births every year.

India saw an increase in women registered for antenatal care (ANC) from Fiscal 2015 to Fiscal 2020. Nearly 97% of registered pregnancies register for ANC. Total 79% of registered pregnancies had at least 4 antenatal care visits in Fiscal 2020. In Fiscal 2015 at pan-India level only 51.2% of registered pregnancies had at least 4 antenatal care visits.

### Estimated annual pregnancies

Area	Value	Fiscal 20 2014-15	Fiscal 20 2019-20
Estimated number of annual pregnancies	Nos in Million	37.4	36.6
Pregnant women registered for ANC (reported pregnancies)	% of estimated annual pregnancies	95.5%	97.0%
Live births	Nos in Million	26.2	25.4

Source: United Nations Population Fund – UNPFA, Health Management Information System (HMIS), Govt. of India

### Maternity Care

Maternity Care	Fiscal 20 2015-16	Fiscal 202019-20
	%	%
Mothers who had an antenatal check-up in the 1st Trimester	58.6%	70.6%
Mothers who had an antenatal check-up least 4 antenatal care visits	51.2%	79.0%
Mothers who received postnatal care from a doctor/nurse/ LHV/ ANM/ midwife/other health personnel within 2 days of delivery	62.4%	75.3%

Source: National Family Health Survey (NFHS)- 4 and National Family Health Survey (NFHS)- 5

Average data of 17 states namely, Andhra Pradesh, Assam, Bihar, Goa, Gujarat, Himachal Pradesh, Karnataka

Kerala, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Telangana, Tripura, West Bengal for Fiscal 2020 data

### Top 50 districts in India have high potential in terms of number of pregnancies per 100 population

The metro cities contributes to 8-10% of the women registered for ANC in India whereas in terms of population the 6 metro cities contributes to 7.2% of India's population. Top 6 metro cities has 3 women registering for ANC per 100 population in metro cities. The next top 25 districts have share of 7-8% and top 50 districts have a share of 13-14% in total ANC registrations in India. Thus, rest of India contributes to 76-79% of total registered ANCs

in India. The top 50 districts in India have higher share of pregnancies and registered ANC indicating a potential market for gynecological and birthing services.

India has one of the highest birth rates but also has highest maternal and neo natal mortality rate suggesting dire need to improve mother and baby care infrastructure

#### ***Crude birth rate (births per 1,000 population) 2015-2020***

Countries	Crude birth rate (births per 1,000 population)	India reported fertility rate of 2.0 children per women in Fiscal 2020. At global level, India reports 18.0 births per 1,000 population, 3 <sup>rd</sup> highest in the world.
South Africa	20.7	
Afghanistan	32.9	
<b>Global Average</b>	<b>18.5</b>	
India	18.0	
Asia	16.4	
Brazil	14.1	
United States of America	12.0	
China	11.9	
Europe	10.4	
Japan	7.5	

Source: United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019

India reports the highest global number of pregnancies as of 2020, a high maternal mortality ratio and also a very high neonatal mortality rate (much higher than global average)

#### ***Global maternity health parameters***

Countries	Total fertility rate, per woman (2015-2020)	No of pregnancies (2020)	Maternal mortality ratio maternal deaths per 100,000 live births (2017)	Neonatal mortality rate (deaths within 28 days per 1,000 live births) (2019)
India	2.0-2.2	<b>36.7</b>	145	22.7
China	1.7	28.6	29	4.3
Brazil	1.7	4.9	60	8.1
South Africa	2.3	1.4	119	10.7
United States	1.8	6.2	19	3.5
United Kingdom	1.8	1.2	7	2.6
Global average	2.4	-	211	17.5

Note: The above data for neonatal mortality rate is for 2019 as per Estimates generated by the UN Inter-agency Group for Child Mortality Estimation (UN IGME) in 2020. The National Family Health Survey 2019-21 (NFHS-5) reports Neonatal mortality of 24.9 per 1,000 live birth for India

Maternal mortality ratio are modelled estimate, per 100,000 live birth reported by World Bank as per national estimated and data from WHO, UNICEF, UNFPA, World Bank Group, and the United Nations Population Division

Source: United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019

## **EMERGING TRENDS IN THE HEALTHCARE DELIVERY INDUSTRY IN INDIA**

### **Review of business models for healthcare delivery**

#### ***Emerging business models***



### ***Lease contracts***

In the hospitals sector, the ownership model has become costly because of the sharp increase in land prices, especially in metros and tier 1 cities, over the past few years. This has compelled private players to look for alternative models such as lease contract. In a lease contract, the landowner develops the hospital building as per specifications given by the private player, who, in turn, enters into a long-term lease agreement with the landowner. For example, Apollo Hospitals has acquired land and building on lease from Orient Hospital, Madurai, for 60 years. This also allows players to contain upfront capital deployment, making expansion much faster.

### ***O&M contracts***

Under this model, a large private player (or a hospital chain) undertakes a contract for managing a standalone hospital and overseeing functions such as marketing, operations, finance, and administration. In return, the private player receives a fixed annual management fee and share in revenue or profits from the standalone hospital's owners. Capital commitment by operator is typically very low and brand dilution takes place if operations are not managed efficiently by the operator.

### ***Medicity (one-stop centres)***

Medicity is an integrated township of super-speciality hospitals, diagnostic centres, medical colleges, research and development (R&D), ancillary, and supporting facilities. The concept of medicity is based on models already operating in countries such as Scotland, the US, France, and Algeria. In India we have Medanta (Gurgaon), Narayana Hrudayalaya (Bengaluru), and Chettinad Health City (Chennai). However, the success of a medicity depends on its location and the ability to attract patients. Due to large land requirements, health cities are often located on the outskirts of a city and, hence, attracting patients could be a challenge unless transportation is available.

### ***Franchise arrangements***

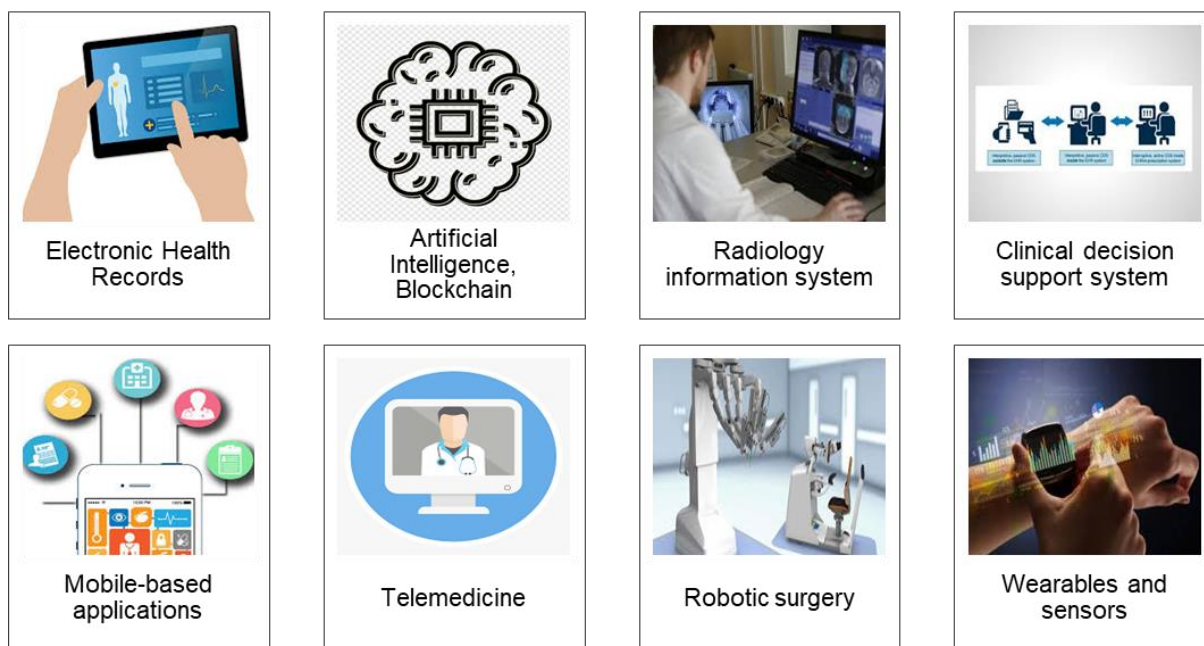
In this model, franchisees obtain the premises (owned or leased) and infuse capital (both fixed and working), while the franchisor lends the brand name to the healthcare facility for a fee. The franchisor has to ensure that the service quality is maintained across all healthcare centres that use its brand. It may also help the franchisee in training and recruiting staff, procuring equipment, designing the facility, etc. In India, Apollo Hospitals has expanded its network of primary clinics through this model.

### ***Expansion into tier 2/ 3 cities through primary and secondary hospitals***

Private players are now foraying into tier 2 and 3 cities as income levels in these cities are fast catching up with those in metros and tier I cities, and these regions hold a big share of unmet healthcare demand. Some of the major hospital chains are also expanding into these regions at different price formats, thereby creating a continuum of care, with provision of higher super specialty services in metros/ tier 1 locations. Apollo Hospitals expanded into Karaikudi and Karimnagar with its Apollo Reach brand (rates of which are lower than in the cities). ILS hospitals have also expanded to tier-II cities such as Agartala, Howrah and is expanding to Ranchi.

However, there are some chains that predominantly operate only in tier 2 and 3 cities, such as Paras Healthcare and Shalby Hospitals.

## Emerging technologies are increasingly playing critical roles in healthcare delivery



The healthcare industry is constantly evolving in terms of technology. Developments in information technology have helped create systems that ensure faster and reliable services. While, on the one hand, these systems help increase reach and quality of healthcare delivery systems across the country, on the other, they enable healthcare delivery providers to improve efficiency by helping them in resource planning, maintaining patient records, etc. CRISIL Research expects the advent of 5G, smartphone penetration, and increasing health-conscious population to deepen digital healthcare penetration.

### ***Electronic health records***

Designed to manage detailed medical profile and history of patients such as medication and allergies, immunisation status, laboratory test results, and radiology images. Information stored in EHR can be in a combination of various formats including picture, voice, images, graphs, and videos. Besides storing information, EHR have the capability of analysing data with respect to a specific ailment, generating customised reports, setting alarms and reminders, providing diagnostic decision support, etc. EHR can be shared between multiple systems allowing doctors from various specialties and hospitals to share the same set of patient data.

### ***Artificial Intelligence (AI) and blockchain***

Healthcare establishments like hospitals are looking at opportunities to deploy AI or/and blockchain in improving their operating efficiency – scheduling appointments depending on the gravity of the issue, healthcare monitoring, etc, thereby minimising human error through technological intervention. For instance, NITI Aayog has extended its support to an AI-based project - Radiomics, which is also supported by Tata Memorial Centre Imaging Biobank.

### ***Radiology information system***

RIS is a tool that allows managing digital copies of medical imagery such as X-ray, MRI, ultrasound, and associated data on a network. RIS is used by doctors to access medical imagery data from multiple locations. It is connected to medical equipment such as X-ray, MRI and ultrasound machines, which generate diagnosis results in the form of images and graphs.

The RIS directly captures results and feeds them to EHR, central databases or remote databases. RIS systems are integrated with a dedicated picture archiving and communication modules which ensures that the pictures are stored in a systematic manner and transferred accurately to the intended database or recipient.

### ***Mobile-based application***

Healthcare delivery is also seeing an influx of mobile-based applications (mobile apps) to assist doctors as well as patients. These apps provide features such as self-diagnosis, drug references, hospital/doctor search, appointment assistance, electronic prescriptions, etc. While certain apps allow doctors to obtain information on drugs, dosage, contradictions, disease/ condition references and procedures; others allow patients to locate doctors, fix appointments, and opt for video consultations. Furthermore, there are apps that help patients save their medical records and keep them updated regularly.

### ***Telemedicine***

Telemedicine is a technology designed to improve accessibility of healthcare services from remote locations. Telemedicine, through its extensive use of information technology, creates a connection between doctors at the main hospital and patients at remote locations or telemedicine centres. The doctor analyses the patient through telephonic conversation or video conferencing. This model is useful when there is a dearth of healthcare professionals in the country.

### ***Robotic surgery***

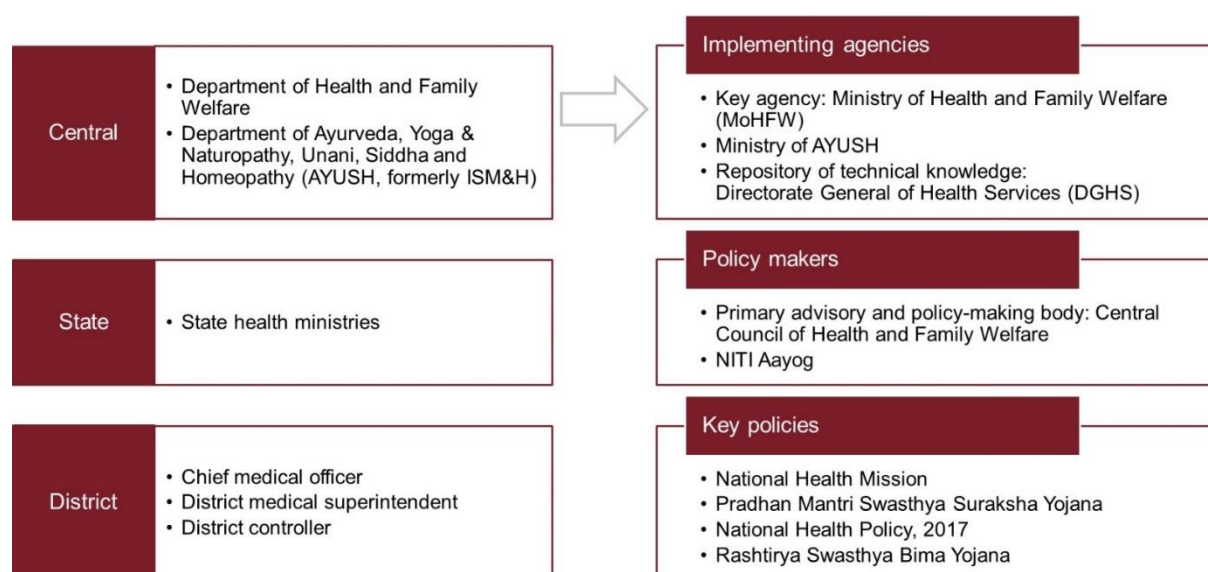
Robotic surgery or robot-assisted surgery (RAS) is a surgery conducted by using a robotic arm that is controlled electronically by a control pad. The pad may be located at a local or remote place and is equipped with high-definition cameras allowing surgeons to take a closer look at the areas being operated. Since RAS can be performed from remote locations, it allows patients to avail the treatment from the desired specialist surgeons across the globe without having to travel. RAS has been used to conduct general surgery, bypass surgery, colorectal surgery, gastrointestinal surgery, neurosurgery, orthopaedic surgery, etc.

### ***Wearables and sensors***

With awareness on healthcare increasing, people have started adopting wearables and sensors that keep a track of the vitals of the user. Wearables and sensors also have data about the user's historical health records and sends out alerts in case of any irregularities. Some sensors are used solely from a curative healthcare perspective, to lead a healthy life with a proper fitness routine.

## **Regulatory framework for hospitals and healthcare in India**

### ***Government framework for healthcare delivery***



Source: Industry, CRISIL Research

The Union Ministry of Health and Family Welfare (MoHFW) is the key agency implementing healthcare programmes in India

The MoHFW is the central body responsible for implementing various healthcare and family planning programmes in India, aimed at the prevention and control of major communicable diseases such as AIDS, leprosy, etc. Further, awareness programmes on maternal health, paediatrics, and promotion of traditional and indigenous systems of medicines (such as ayurveda, unani, etc.) are also carried out.

Besides these, the ministry also assists states in preventing and controlling the spread of seasonal disease outbreaks (such as malaria, dengue, etc.), and epidemics through technical assistance (such as recommending measures to contain sudden epidemics). The MoHFW sponsors central schemes and provides grants-in-aids to various autonomous/statutory bodies and NGOs. In addition to the centrally sponsored schemes, the ministry formulates and implements various World Bank-assisted projects for controlling diseases such as AIDS, malaria, tuberculosis, etc.

The implementing agencies of the new healthcare assurance scheme, PMJAY, are the National Health Agency (NHA) at the central level and State Health Agency (SHA) at the state level for the states that have signed the MoU for participation into the scheme.

***The assisted reproductive technology (regulation) bill, 2020 – intended to significantly improve regulatory compliance for the service providers and possibly help the sector get more organized***

The Assisted Reproductive Technology (ART) Bill was passed by the Lok Sabha on December 1st, 2021. The bill sets the regulations for the assisted reproductive technology services in India. The regulation bill comes on the back drop of the rapidly growing ART centres in India. ART services form a significant segment of the medical tourism sector in India. The bill defines assisted reproductive technology as all the techniques that attempt to obtain a pregnancy by handling the sperm or the oocyte outside the human body and transferring the gamete or the embryo into the reproductive system of a woman. The bill also sets down the eligibility criteria for semen and oocyte (egg cell) donors.

The bill mandates setting up of National Registry of Banks and Clinics of India where all the ART clinics and banks will need to register themselves in order to operate in this space. The entities will need to comply with the standard protocols of manpower, infrastructure and other facilities. The clinics and banks will also need to comply with the data protection and confidentiality norms set by the Bill. The bill also mandates the setting up of a National Board and State boards. The former will review the implementation of the regulations and suggest any policy changes and the latter will ensure the implementation of the guidelines set by the National board.

The bill dictates the rights of the child born through the ART, rights of the donor and the rights of the couple availing ART. The requisite manner of providing ART services along with the offences and penalties are also dictated by the bill.

The bill will have positive impact on the sector as the regulations will prevent unethical practices by clinics and banks. The authorities will have control on the quality of services offered by the clinics. Data protection has been ensured by the bill as well. This will lead to growth of the domestic sector and medical tourism as the various stakeholders such as couples, and donors will be ensured ethical and high-quality practices.

***Accreditation of hospitals***

Accreditation of hospitals is a voluntary process, wherein an authorised agency evaluates and recognises health services according to a set of standards that are revised periodically. In developing countries such as India, where healthcare services are delivered mainly through private health providers, regulation is a vital instrument.

In India, hospitals are accredited by National Accreditation Board for Hospitals and Healthcare Providers (NABH). The NABH is a constituent board of Quality Control of India and a member of International Society for Quality in Health Care (ISQua). NABH accreditation is compulsory for hospitals to get empanelled under the Central Government Health Scheme (CGHS), which provides healthcare facilities to all central government employees.

Most organized healthcare service providers strive to attain such accreditations to establish the quality of their services.

International accreditation agencies include the International Organization for Standardization (ISO), Joint Commission International (JCI), and Trent Accreditation Scheme (TAS).



## Regulations pertaining to price controls

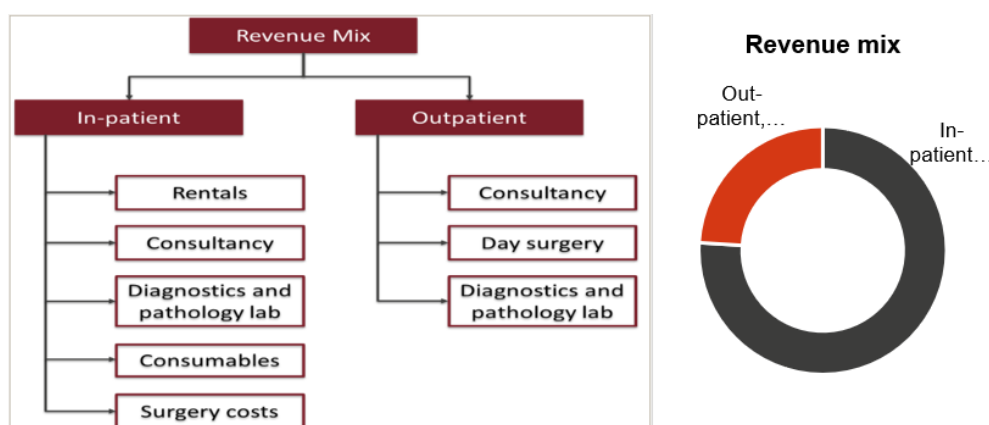
The National Pharmaceutical Pricing Authority (NPPA) regulates prices of drugs/ medicines by bringing them under the ambit of the National List of Essential Medicines (NLEM).

The activities of NPPA have been largely limited to pharma and medical consumable companies with an intent to make the lifesaving services delivery more affordable.

## Revenue and cost structure review of hospitals

### Hospitals derive bulk of their revenue from IPD

The primary revenue streams of hospitals are the IPD and out-patient department (OPD) segments. Typically in most hospitals, the OPD contributes to three-fourths of total volumes; whereas, the IPD accounts for as much as 76% of the overall revenue. This ratio could vary with hospitals, depending on the type of services rendered and the ailment mix. Surgeries and diagnostics account for the bulk of IPD revenue for most hospitals.



Notes: 1) The IPD in a hospital generally consists of beds, operation theatre(s), intensive care unit, supportive services (such as nursing services, pharmaceutical services, laboratory and diagnostics centres) and central sterile and supply department (CSSD)

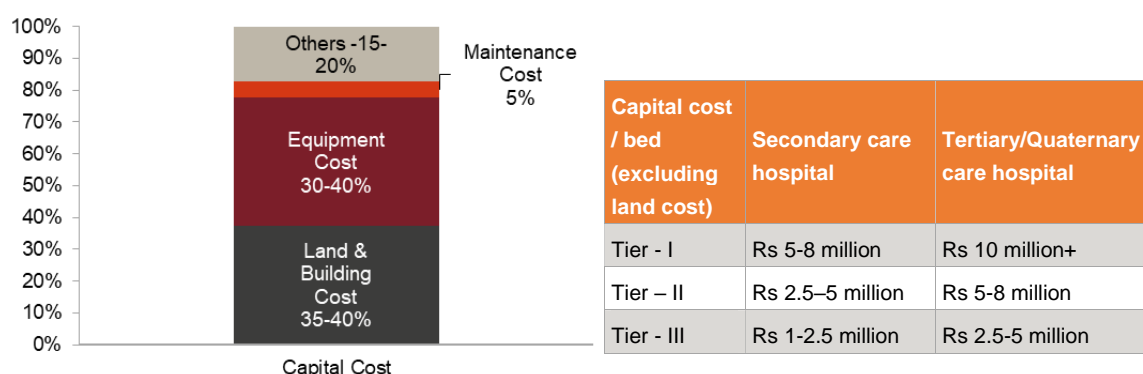
2) In the OPD, examination, diagnostics and day surgeries are included

Source: CRISIL Research

### Capital costs

The table below depicts the capital cost per bed across tier-I, II & III cities for secondary and tertiary care hospitals.

#### Typical cost structure of hospitals



Source: CRISIL Research

Owning the land and constructing the building attracts approximately 35-40% of the capital cost. Hence, players resorting to the leased model enables them to significantly reduce the capital cost and allows faster expansion.



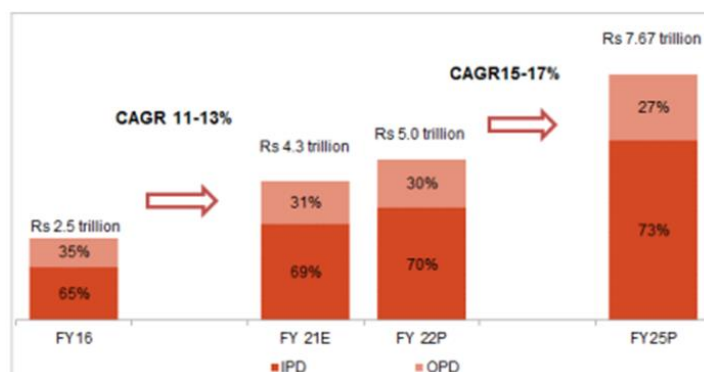
## ASSESSMENT OF INDIA'S HOSPITAL MARKET

### Review and outlook

#### *Momentary blip for private hospitals this Fiscal; but poised for robust growth in the medium term*

Barring the momentary setbacks in Fiscal 2021, CRISIL Research estimates the Indian healthcare delivery industry to post a healthy 15-17% CAGR between Fiscal 2021 and 2025, driven by pent up demand coming back onto the system, strong fundamentals, increasing affordability and government programmes.

#### *Overall healthcare delivery market in India*



*Note: IPD stands for in-patient department and OPD stands for out-patient department. According to CRISIL Research out-patients are those who are not required to stay at the hospital overnight. It includes consultancy, day surgeries at eye care centres, and diagnostics, and excludes pharmaceuticals purchased from standalone outlets.*

*Source: CRISIL Research*

#### *The Indian Healthcare delivery market is estimated to grow to approximately ₹ 5 trillion in Fiscal 2022*

#### *Healthcare delivery industry to grow 15-17% over next four years*

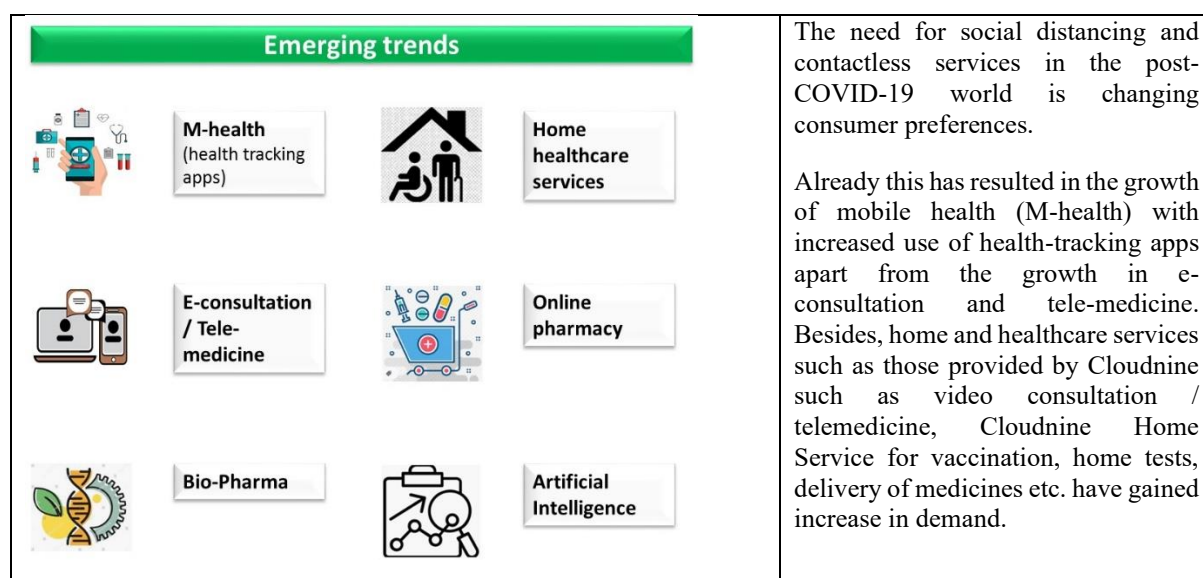
#### *Low base and pent up demand to lead revenue growth of hospital firms by 20-25% in Fiscal 20 22*

In Fiscal 2022, with pent up deferred procedures as well as some benign push from the low base of the preceding year, the revenues of hospital chains is expected to grow by 20-25%. Margins are also expected to bounce back to pre-COVID-19 levels owing to high realisation procedures being catered to, majorly in the second half. However, the pace of recovery is contingent on the resurgence of COVID-19 cases in the country.

#### *Impact of COVID-19 on healthcare delivery market*

- Hospitals focussed on maternity speciality services such as Kids Clinic (Cloudnine), Motherhood saw lot of resilience and saw much faster recovery in revenues
- Hospitals focussed on specific specialities such as oncology, orthopaedics, etc, will see faster recovery (catering to deferred essential surgeries)
- Dependence on medical tourists in Tier-1 cities to shave off revenues for hospitals this Fiscal
- Volume-driven dependence on government schemes to aid volumes in the second half for empanelled hospitals
- Compliance and additional sanitary measures (such as PPE) along with testing of employees with lead to an increase of 3-5% in treatment costs

*Consumers preference significantly moved in favour of convenient, affordable and personalised treatments with lot of involvement of technology*



*Online spends towards healthcare sector on rise*



**E-consultation / Tele-medicine**



**Online pharmacy**

*No. of people using online health consultations*

*No. of users using e-pharmacy website/apps*

**~3 times**

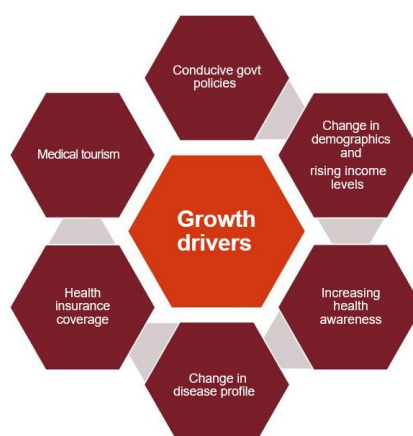
between March to November 2020

**2.5-3 times**

between March and June 2020

### Key growth drivers of healthcare delivery industry

A combination of economic and demographic factors is expected to drive healthcare demand in India. CRISIL Research believes the PMJAY scheme launched by the government would also support these drivers.



Source: CRISIL Research

### ***Government policies to improve healthcare coverage***

#### ***With life expectancy improving and changing demographic profile, healthcare services demand to continue to see surge***

With improving life expectancy, the demographic profile of the country is also witnessing a change. As of 2011, nearly 8% of the Indian population was of 60 years or more, and this is expected to surge to 12.5% by 2026. The ageing population is going to require increasingly higher healthcare services.

According to the Report on Status of Elderly in Select States of India, 2011, published by the United Nations Population Fund (UNFPA) in November 2012, chronic ailments, such as arthritis, hypertension, diabetes, asthma, and heart diseases, were commonplace among the elderly, with approximately 66% of the respective population reporting at least one of these.

With the Indian population expected to grow to approximately 1.4 billion by 2026 and considering the above-mentioned factors, the need to ensure healthcare services to this vast populace is imperative. This also provides a huge opportunity to expand into a space that bears enormous potential.

#### ***Rising income levels to make quality healthcare services more affordable***

Though healthcare is considered a non-discretionary expense, considering that approximately 83% of households in India had an annual income of less than ₹ 0.2 million in Fiscal 2012, affordability of quality healthcare facilities remains a major constraint.

Growth in household incomes and, consequently, disposable incomes, are critical to the overall growth in demand for healthcare delivery services in India. The share of households falling in the income bracket above ₹ 0.2 million is expected to go up to 35% in Fiscal 2022 from 23% in Fiscal 2017. They provide a potential target segment (with more paying capacity) for hospitals.

#### ***Fast rising Urban population with increasing health awareness to boost hospitalisation rate***

Majority of healthcare enterprises in India are more concentrated in urban areas. With increasing urbanisation (migration of population from rural to urban areas), awareness among the general populace regarding presence and availability of healthcare services for both preventive and curative care is expected to increase.

#### ***Rising contribution of Non-communicable diseases is going to require more healthcare services***

As opposed to the decreasing rate in communicable diseases, lifestyle-related illnesses or non-communicable diseases (NCDs) have been increasing rapidly in India over the past few years. The contribution of NCDs to the disease profile has risen from 30% in 1990 to 55% in 2016. Statistics show that these illnesses accounted for nearly 62% of all deaths in India in 2016.

As per the World Economic Forum, the world will lose nearly \$30 trillion by 2030 for NCD treatments and India's burden from this will be \$5.4 trillion.

CRISIL Research believes that NCDs exhibit a tendency to increase in tandem with rising income. WHO projects an increasing trend in NCDs by 2030, following which CRISIL forecasts demand for healthcare services associated with lifestyle-related diseases such as cardiac ailments, cancer and diabetes to rise.

#### ***Growing health insurance penetration to propel demand***

Low health-insurance penetration has been one of the major impediments to the growth of the healthcare delivery industry in India, as affordability of quality healthcare facilities by the lower-income groups remain an issue. However, the Health insurance coverage has significantly increased from 17% in Fiscal 2012 to approximately 37% in Fiscal 2020. As per the Insurance Regulatory and Development Authority (IRDA), nearly 499 million people have health insurance coverage in India (as of Fiscal 2020), as against 288 million (in Fiscal 2015).

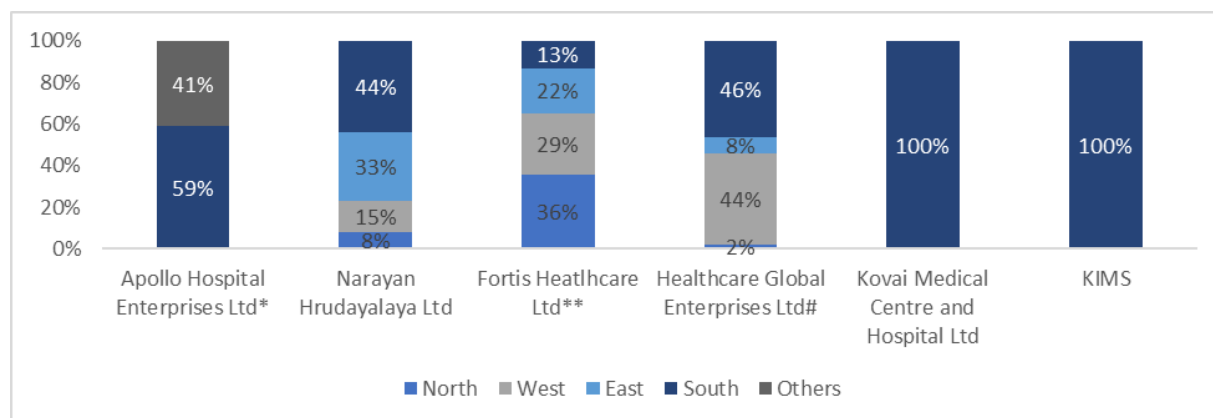
With health insurance coverage in India set to increase, hospitalisation rates are likely to go up. In addition, health check-ups, which form a mandatory part of health insurance coverage, are also expected to increase, boosting

demand for a robust healthcare delivery platform. COVID-19 has also accelerated the coverage and also online channels which make it easier to get insurance.

### **Regional focus gives hospital players an upper hand**

Key listed healthcare delivery players in India have established themselves in regions across the country. Those with regional presence have an added advantage over those that do not.

**Regional revenue mix of key listed players as of Fiscal 2020**



\*For Apollo Hospitals Enterprise Ltd (AHEL), revenue from Tamil Nadu, Andhra Pradesh, Telangana, and Karnataka has been considered under the 'south' region. 'Others' includes revenue from 'significant subsidiaries/JVs/associates', as classified by AHEL in its earnings update PPT for Q4 Fiscal 2020, which includes revenue from Bhubaneswar, Bilaspur, Nashik, Navi Mumbai, Ahmedabad, Kolkata, Delhi, Indore, Assam, and Lucknow.

\*\*For Fortis Healthcare Ltd, revenue contribution from only Indian hospitals has been considered (i.e. excluding revenue from international hospitals).

#Regional mix only for HCGEL centres, which consist of 22 comprehensive cancer centres, 3 multispecialty hospitals, 3 diagnostic centres and 1 multispecialty hospital managed by HCGEL, as of March 31, 2020.

Source: Company annual reports/investor presentations, CRISIL Research

### **Even maternity players are focusing on regional presence – no. of hospitals / centres across regional zones in India**

Players	North	West	South	East
Cloud nine	7	4	11	-
Motherhood	4	4	10	-
Apollo Cradle	7	1	15	-
Fortis La Femme	3	-	1	-
Ovum	-	-	4	-

Note: As per centres mentioned on apollo cradle and children hospital website excluding apollo clinics

Source: Company websites, CRISIL Research

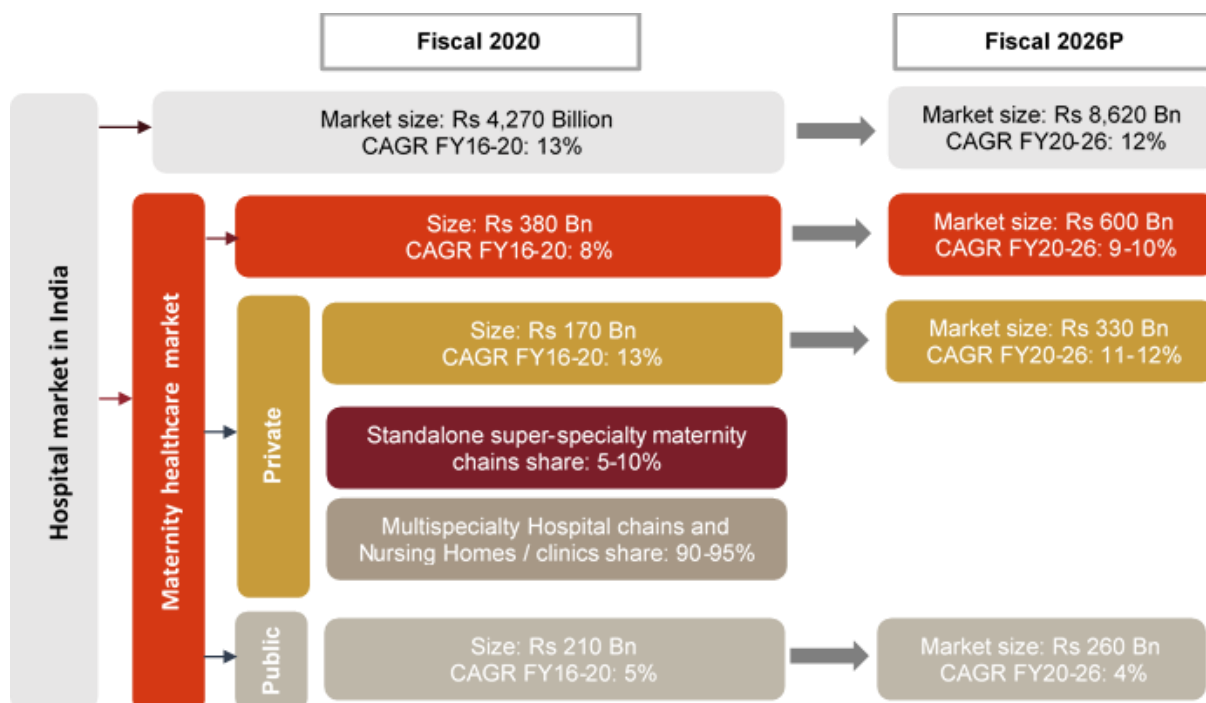
Some of the key advantages of having regional presence are as follows:

- **Understanding the mentality of people** (patients) in a particular region forms a crucial part of connecting and establishing long-term relationships for any hospital. Players with regional presence often have a strong grasp of the regional languages, food preferences, culture, and affordability, which helps them connect and bond with their patients from a long-term perspective.
- **Understanding the mentality of doctors** is also an important aspect for a hospital. Having regional presence not only gives players access to the key doctors in the region, but it also helps doctors tie up with a brand to enhance their portfolios.
- **Integrating talent from well-established allied workforce** such as lab technicians and nurses also augers well for established players. There are additional benefits for employees associated with a regional chain, such as easy location transfers for any personal reasons. Hence, workforce in such hospitals sticks longer.

## ASSESSMENT OF THE MATERNITY CARE INDUSTRY IN INDIA

The private sector maternity market in India grew 11-12% between Fiscal 2016 to 2020 while the overall maternity market grew 8% in the same period. Private sector is expected to grow faster on account of increased penetration of institutional deliveries, rising share of private hospitals in rural and urban areas, increase expenditure on maternity healthcare, and rise in treatment cost on account of delayed deliveries. Rise in spending wallet size of young couple, increased demand for comprehensive mother and baby care, rise in awareness about maternity planning and health check-up, increased complication during pregnancy, demand for hassle-free birthing experience are all expected to augur growth for the super-speciality mother and baby care hospitals. As of Fiscal 2020, mother and baby care contributes to approximately 8-9% to the overall hospital market in India.

### Maternity healthcare market in India



Source: CRISIL Research

### Super-specialty obstetrics healthcare services are becoming more prevalent

Obstetrics is a medical specialty dealing with the fields of birth and related issues. Obstetrics involves care provided during pre-conception, pregnancy, childbirth, and immediately after delivery. Whereas Gynecology involves care of all other women's health issues.

An obstetrician is a physician who specializes in the surgical care of women and their children during pregnancy, childbirth, postpartum and post-natal care. They also perform regular ultrasounds during pregnancy to determine the health of the fetus, identify any complications and know the gestational period of the fetus. Identify if there are any high-risk factors in women during pregnancy, delivery and later.

Antenatal care is the routine health control of presumed healthy pregnant women without symptoms (screening), in order to diagnose diseases or complicating obstetric conditions without symptoms, and to provide information about lifestyle, pregnancy and delivery.

**Urban Tier I and II cities are seeing rise in number of super-specialty mother and baby care offerings in country**

Cities	Mother and baby care hospitals	Mother and baby care chains	Multi-specialty hospitals with maternity offerings
<b>Metro cities</b>			
Mumbai and Navi Mumbai	Nowrosjee Wadia Maternity Hospital,	Cloudnine, hospitals	Fortis Hospital, Sevenhills,

Cities	Mother and baby care hospitals	Mother and baby care chains	Multi-specialty hospitals with maternity offerings
	Currae Gynaec IVF Birthing Hospital		Lilavati Hospital, Tata Memorial Hospital, Breach Candy, Kokilaben Dhirubai Ambani hospital, L Raheja Hospital, Hinduja Healthcare, Jaslok Hospital,
Bangalore	Dr Rao's maternity clinic, Offspring Maternity & Childcare	<b>Cloudnine</b> , Motherhood hospitals, Ovum hospitals, Kangaroo care	Fortis Hospital (The Nest), Apollo (Cradle), Manipal Hospital, Mallya Hospitals, Aster- Women and Children, Rainbow Children's Hospital*
Delhi and NCR	Mother's Nest at Moolchand, SCI Hospital, Rose walk luxury hospital for women	<b>Cloudnine</b> , Motherhood hospitals, Mother's Nest - Moolchand Hospital	Fortis (La Femme), Artemis Women & Child Center, Columbia Asia, Adiva Super-specialty, Apollo hospitals, BLK Super Specialty Hospital, AIIMS, Indraprastha, Medantha Hospital, Max Healthcare, Columbia Asia, Sri Ganga Ram Hospital, Rainbow Children's Hospital*
Chennai	Kanchi Kamakoti CHILDS Trust Hospital	<b>Cloudnine</b> , Motherhood,	Gleneagles Global Health City, Apollo Speciality Hospital, Fortis Malar Hospital, Apollo Children's Hospitals, Billroth Hospitals
Hyderabad	Niloufer Hospital, Government Maternity Hospital in Koti, Nayapul and Sulthan Bazar, SBBB. Maternity Hospital	<b>Cloudnine</b> , LifeSpring Hospitals, Fernandez Hospital	Apollo Cradle Maternity & Children's Hospital, Rainbow hospital*, Medicovert Hospital, KIMS cuddles
<b>Other Tier I and II cities</b>			
Pune	Gupte Hospitals,	<b>Cloudnine</b> , hospitals	ONP Hospitals, Columbia Asia Hospital, Sahyadri Hospital, Ruby Hall Clinic, Deenanath Mangeshkar Hospitals and Research Center, Aditya Birla Memorial Hospital
Indore	Verma Nursing Home, Pranshu surgical & maternity center, Angel women's hospital	<b>Cloudnine</b> , hospitals	Chothiram Hospital & Research Center, Arihant Hospital & Research Center, Jyoti Multi Speciality Hospital
Chandigarh	Dr Jagit Singh (Chandigarh Children & Maternity Hospital), Bedi Hospital, Chaitanya Hospital	<b>Cloudnine</b> , hospitals	Ivy Hospital
Visakhapatnam	Krishna Children's Hospital, Padmavathi Nursing Home	<b>Cloudnine</b> , Lotus Hospitals	Medicovert Hospitals (Woman & Child), Rainbow Children's Hospital*

\* - Rainbow Children's Hospital is classified as maternity and paediatric multi-speciality chain

Note: The list of hospitals is not exhaustive

Source: CRISIL Research

### ***New-age offering for mother care is gaining prominence in urban areas***

Some of the new age offerings for expectant mothers includes personalized diet and nutrition consultancy, yoga classes, professional photography for mother and child to capture initial moments. The new age offering for expected mother revolves not only around ante-natal care and check-ups but also on experiential care and offerings to make the journey of being a mother comfortable, memorable and luxurious.

### ***Preference for specialty private maternity hospitals have increased***

Increasingly working women are preferring specialized standalone maternity hospitals and antenatal care services rather than traditional nursing homes for obstetrics healthcare services. The number of institutional deliveries in

private hospitals have also increased from 29% in Fiscal 2016 to 32% in Fiscal 2020 as per HMIS database. Institutional births in urban areas prefer private hospitals more as compared to institutional births in rural areas. In 2020, among institutional childbirths, in rural areas, about 69% cases were in government hospitals and about 21% in private hospitals and, in urban areas, about 48% cases were in government hospitals and 52% were in private hospitals, thus urban areas have higher preference for private hospitals.

India is also witnessing rise in antenatal care awareness with government awareness programs and supportive healthcare policies. Share of pregnant women received 4 ANC checkups have gone up from 51.2% in Fiscal 2016 to 79.4% in Fiscal 2020.

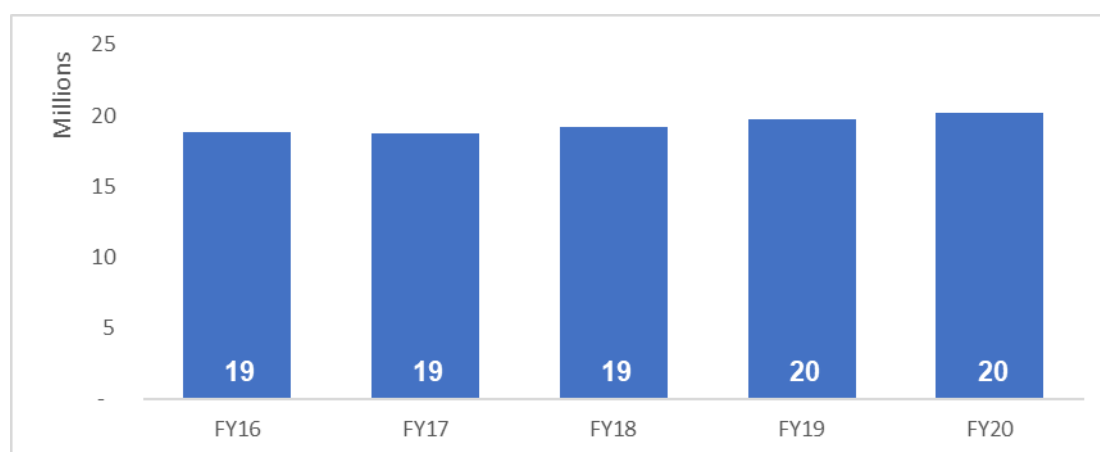
***Mothers who had at least 4 antenatal care visits has been consistently and substantially increasing (%)***

Pan-India	FY16	FY18	FY19	FY20
% Pregnant Woman received 4 ANC check ups	51.2%	63.5%	73.3%	79.4%

Source: CRISIL Research

Share of institutional deliveries have increased from increased from 66.6% in Fiscal 2016 to 69.7% in Fiscal 2020. This has resulted in rise in number of institutional deliveries from 18-19 million in Fiscal 2016 to 19-20 million in Fiscal 2020

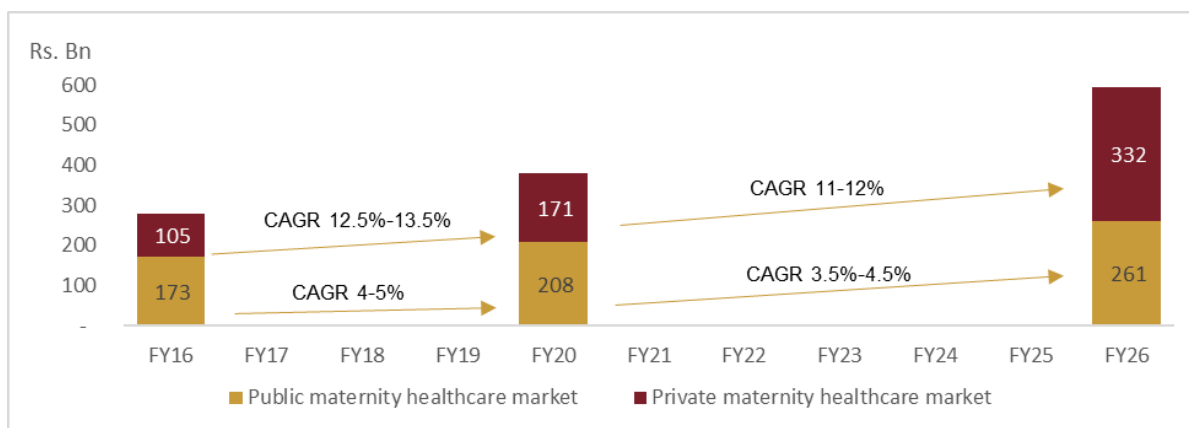
***Number of institutional deliveries conducted in India has seen rise from Fiscal 2016 onwards***



Source: HMIS, CRISIL Research

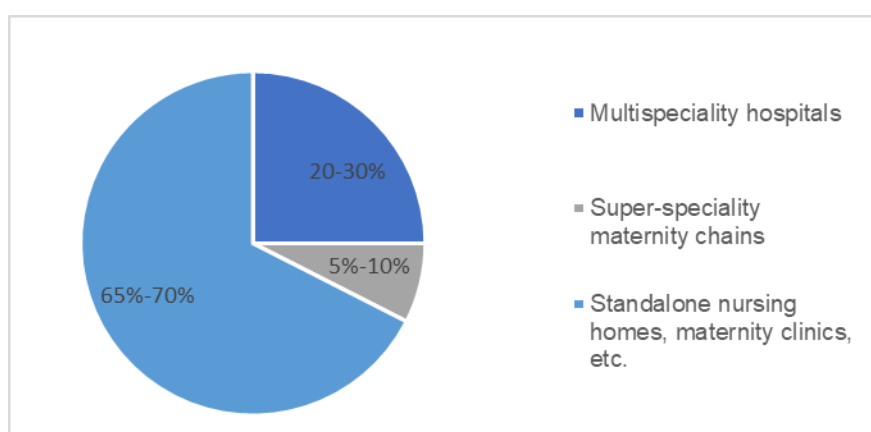
***Private maternity care market is expected to grow at CAGR of 11-12% from Fiscal 2021 to Fiscal 2026***

Private maternity healthcare market grew at 12.5% to 13.5% CAGR between Fiscal 2016 and 2020 from ₹ 173 billion to ₹ 208 billion. The private maternity care market is expected to grow at CAGR of 11-12% from Fiscal 2021 to Fiscal 2026 to reach value of ₹ 261 billion in Fiscal 2026. The growth in private hospitals is driven by increase in C-section deliveries driving up average revenue per patient, increased complication in pregnancies due to late pregnancies, and rise in demand for value added services. CRISIL Research estimates that standalone maternity chains have a share of 5-10% in overall maternity healthcare market, while local nursing homes and maternity clinics contributes to 20-30% of the maternity market in Fiscal 2020.



Source: CRISIL Research

#### Segmentation within private maternity hospitals



Source: CRISIL Research

Maternity care still remains largely unorganized with standalone nursing homes and maternity clinics accounting for 65-70% of the market. Organized super-specialty mother and baby care chains like Cloudnine, Motherhood, Apollo cradle, Fortis La femme continue to eat into the market share of the unorganized by offering better experience, superior clinical outcome, contemporary customer reach out strategies and faster expansions.

With India reporting under-penetration of quality specialized healthcare infrastructure, there is significant growth opportunities for super-specialty chains to provide integrated services in mother and baby care sector, as they currently have penetration of only 5-10% in private maternity care market as of Fiscal 2021.

#### Overview of type of healthcare professional experts on panel with maternity hospitals

Doctor specialty	Description
Obstetrician	An obstetrician is a doctor who specializes in pregnancy, childbirth, and a woman's reproductive system to ensure health birthing and determine the health of the foetus, identify any complications and know the gestational period of the foetus.
Gynaecologist	A gynaecologist is a physician who specializes in the medical care of women and in health of the female reproductive system. They diagnose and treat issues related to the female reproductive tract. This includes the uterus, fallopian tubes, and ovaries and breast
Lactation Consultant	Lactation consultants or lactation specialists are nursing professionals who help new moms in their efforts to breastfeed
Paediatric intensivist	A paediatric intensivist, also called a paediatric critical (or intensive) care physician to treat children up to the age of 18. Critically ill infants and children who need high-level of monitoring are addressed by paediatric intensivist.
Neonatologist	A doctor who specialize in the care of new-borns, premature births. Diagnosing and treating new-borns with illness such as infections, birth defects, breathing conditions etc



Doctor specialty	Description
Paediatrician	A doctor who specializes in children up to the age of 18 years. They diagnose and treat broad range of illnesses from minor to major health problems. They advise parents on not only physical ailments but also behavioural and mental problem of their minor wards.
Paediatric Gastroenterologist, Hepatologist and Nutrition	A doctor who specializes in diagnosis and treatment of ailments related to digestion, liver and nutritional of children up to the age of 18 years. Gastroenterology refers to diagnosis and treatment of ailments related to the digestive system of children. Endoscopic procedures on the colon, oesophagus and stomach to identify related chronic ailments. Hepatology refers to the diagnosis and treatment of ailments related the liver, gallbladder, bile ducts and pancreas. Paediatric Nutritionists or dieticians refers to diagnosis and treatment of weight, growth and development related disorders.
Paediatric Dentist	A doctor who specializes in diagnosis and treatment of ailments related to dental problem and the overall oral health of children up to the age of 18 years.
Paediatric Ophthalmologist	A doctor who specializes in diagnosis and treatment of eyes conditions, vision problems of children up to the age of 18 years. They are also trained to perform eye surgeries.
Paediatrics Cardiologists	A doctor who specializes in diagnosis, prevention and treatment of ailments related to the heart of children up to the age of 18 years. They are trained to treat congenital heart disorders, defects, arrhythmias and other diseases and complications. However not all paediatric cardiologist are heart surgeons, although some are trained to perform invasive procedures.
Paediatric Orthopaedic Surgeon	A doctor who specializes in diagnosis and treatment of musculoskeletal ailments related to bone, joint and muscle of children up to the age of 18 years. Infections, broken bones, bone related diseases, sports injuries, trauma, bone development delays and birth defects are some problem addressed by an orthopaedic surgeon
Paediatric Neurologist	A doctor who specializes in diagnosis and treatment of ailments related to the spinal cord, the brain, the nervous system and the blood vessels of children up to the age of 18 years.
Paediatric Nephrologist	A doctor who specializes in diagnosis and treatment of ailments related to the kidney, urinary tract of children up to the age of 18 years. Conditions such as kidney stones, high blood pressure, congenital diseases and defects are addressed by a paediatric nephrologists
Paediatric Surgeon	A doctor who specializes in diagnosis, operative and post-operative surgical treatment of ailments related children up to the age of 18 years. Condition such as congenital, acquired anomalies and diseases are addressed by paediatric surgeons. They are trained to perform surgeries on foetuses, infants, children, adolescents and young adults.
Adolescent Endocrinologist	A doctor who specializes in diagnosis and treatment of endocrine ailments related to hormones and glands of children up to ages of 18. Conditions such as growth disorders, puberty, diabetes are addressed by an adolescent endocrinologist.

Source: CRISIL Research

### ***Overview of children vaccination offering of private mother and baby care hospitals as extension of post-natal care***

Maternity hospitals also provide post-natal care for newborn child. This includes check-ups at regular intervals to monitor healthy growth and development of the newborn and vaccination against communicable diseases. Immunization and vaccination for new born and children are very vital for their health and prevention of communicable diseases. Vaccination helps to developed induced immunity against myriad of diseases and infections which may not have been developed naturally. Vaccinations helps the child's body to develop antibodies against infections.

### ***Key vaccine recommendations for all children (0 -3) as per WHO position paper***

Antigen	Age at 1 <sup>st</sup> dose	No. of doses	Average interval between doses
<b>BCG</b>	As soon as possible after birth	1	-
<b>Hepatitis B</b>	As soon as possible after birth (<24h)	3-4	4 weeks
<b>Polio</b>	6-14 weeks	3-5	4-8 weeks
<b>DTP-containing vaccine</b>	6 weeks (min)	3	4-8 weeks
<b>Haemophilus influenzae type b</b>	6 weeks (min)	2-3	4-8 weeks
<b>Pneumococcal (Conjugate)</b>	6 weeks (min)	2-3	4 weeks
<b>Rotavirus</b>	6 weeks (min)	2-3	4 weeks
<b>Measles</b>	9 or 12 months	2	4 weeks
<b>Rubella</b>	9 or 12 months	1	

Source: WHO Position Papers, CRISIL Research

***Fertility segment is emerging as another major offering for the mother and baby care focused players with huge growth potential***

Assisted reproductive technology (ART) has witnessed strong growth in the last few years. Incidence of infertility in India is between 10 and 15% resulting in approximately 25 to 30 million couples are likely to be infertile in the country at any given time. As per industry sources India reports roughly 0.2- 0.25 million IVF cycles in a year in 2020.

The fertility market has witnessed strong growth in past few years due to:

- Delayed pregnancies increasing rate of infertility
- Rapid lifestyle changes, including rising stress level, that can potentially affect fertility
- With increasing income levels, increasing affordability for treatment
- Awareness campaigns by the private players
- Improvement in technology and success rates
- Fast expansion by private players allowing better proximity to customers
- Improving social acceptance of such measures

**Overview of neo-natal care market in India**

A neonatal intensive care unit (NICU), also known as an intensive care nursery (ICN), is an intensive care unit (ICU) specializing in the care of ill or premature new-born infants. Neonatal refers to the first 28 days of life. NICU is typically directed by one or more neonatologists and staffed by resident physicians, nurses, nurse practitioners, pharmacists, physician assistants, respiratory therapists, and dietitians. Many other ancillary disciplines and specialists are available at larger units.

Several attempts to strengthen new-born care in India have been made. Under the National Rural Health Mission, new-born care has become central to the child survival strategy both in community and facility level interventions. Hospital-based neonatal units are being strengthened in India to provide specialized treatment services, which are classified into different levels.

***India follows 4-level NICU system based on weight and gestational age of neonate:***

***Level I care***

Neonates weighing more than 1,800 grams or having gestational maturity of 34 weeks or more are categorized under level I care. The care consists of basic care at birth, provision of warmth, maintaining asepsis and promotion of breastfeeding. This type of care can be given at home, sub-centre and primary health centre. Admissions in NBSUs would fall under level I care.

***Level II care***

Neonates weighing 1,200-1,800 grams or having gestational maturity of 30–34 weeks are categorized under level II care and are looked after by trained nurses and paediatricians. The equipment and facilities used for this level of care include equipment for resuscitation, maintenance of thermoneutral environment, intravenous infusion, gavage feeding, phototherapy and exchange blood transfusion. This type of care can be given at first referral units, district hospitals, teaching institutions and nursing homes. Admissions in SNCUs at district public and private hospitals would fall under level II care.

***Level III care***

Neonates weighing less than 1,200 grams or having gestational maturity of less than 30 weeks are categorized under level III care. The care is provided at apex institutions and regional perinatal centres equipped with centralized oxygen and suction facilities, servo-controlled incubators, vital signs monitors, transcutaneous monitors, ventilators, infusion pumps etc. This type of care is provided by skilled nurses and neonatologists.

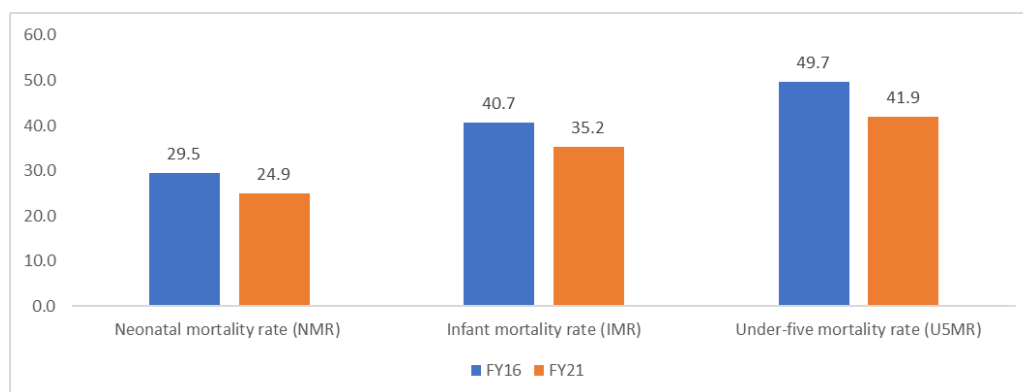
#### Level IV care

This is the highest standard of neonatal care, consisting of pediatric specialists, along with all the expert care providers and the specialised services of a Level III NICU. It also offers facilities like extra corporeal membrane oxygenation and transport services from hospital to home. Usually, a level IV NICU is a part of a large hospital with expertise in surgical repair of serious congenital or acquired conditions.

#### India still the biggest contributor in neonatal deaths globally

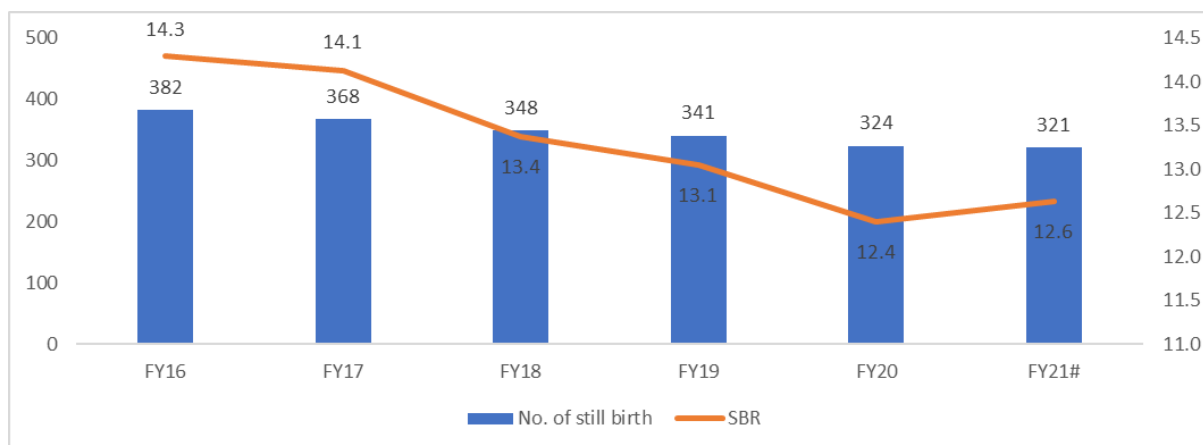
According to UNICEF, the share of India in the global neonatal deaths is over approximately 20%. To control the NMR and IMR, Indian government launched India New-born Action Plan (INAP) in Fiscal 2015 with the objective of work towards attainment of the goals of “Single Digit NMR by 2030” and “Single Digit SBR (Still Birth Rate per 1000) by 2030.”

**Mortality rates (per 1000 live births)**



Source: National Family Health Survey (NFHS-5), CRISIL Research

**Number of still birth\* (in '000) and SBR (per 1000 live births)**



\*Calculated using estimated live birth through HMIS; #Provisional data

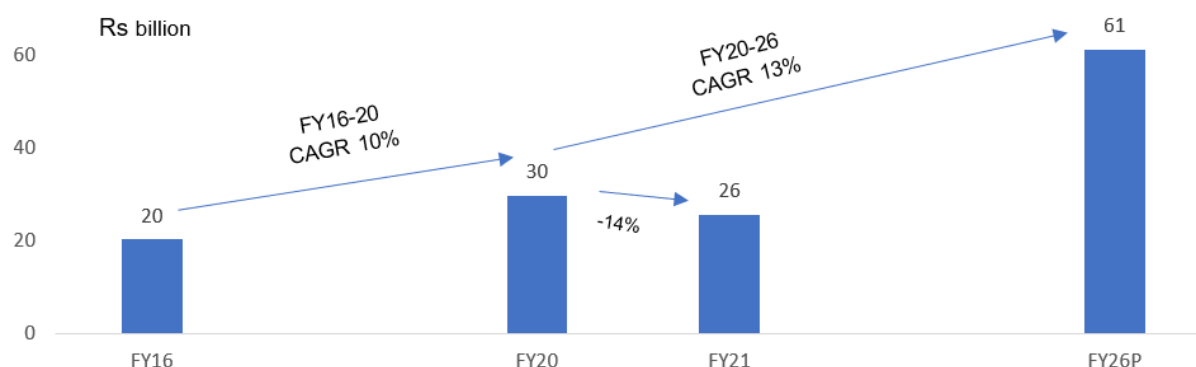
Source: HMIS, CRISIL Research

#### NICU market expected to pose growth of CAGR 13% between Fiscal 2020 and 2026

To arrive at NICU market size we have taken into consideration number of NBSU & level I admissions, number of SNCU at public & private facilities & level II admissions, and level III admissions at public & private facilities.

NICU market showed a similar trend as observed for paediatric healthcare market size except for the decline in Fiscal 2021 due to COVID-19. The lower number of admissions in level II and level III NICUs led to the downfall of 13.7% in the NICU market. Continuous efforts by the government and emergence of private players in the tertiary care expected to drive the growth of the NICU market. CRISIL Research expects CAGR 13% NICU market growth between Fiscal 2020 and 2026.

### Market size of neonatal care (NICU) market in India



P: Projected

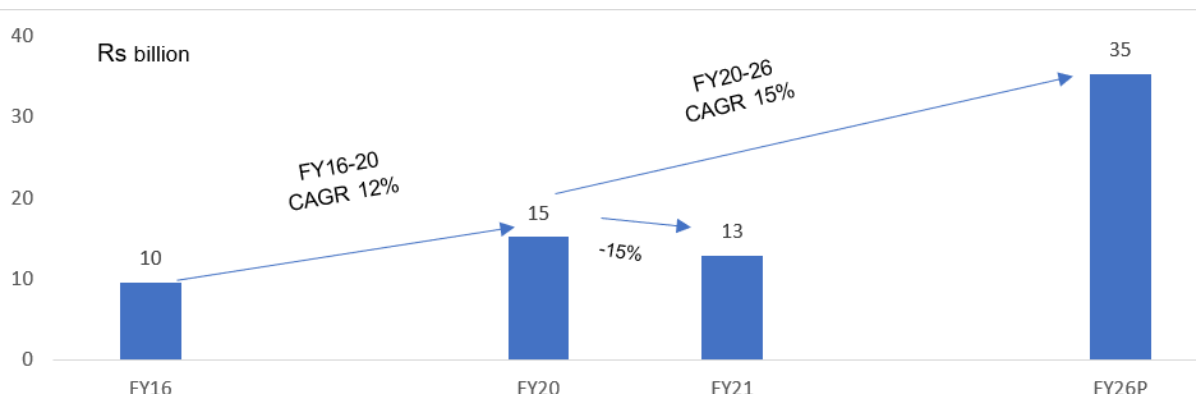
Source: CRISIL Research

CRISIL Research estimates that the number of NICU beds available in key cities – Bangalore, Mumbai, Delhi – NCR, Chennai, and Hyderabad would range from 3,500-4,500 inclusive of private and public facilities. With increasing disease complexity, it becomes difficult to treat the child with primary and sometimes secondary care, in such cases the patient is immediately referred to tertiary care. Key cities mentioned above account for a large share of overall NICU beds in the country. Other than in the metropolitan cities, the availability of quality neonatal care in urban India is also limited.

### NICU private market expected to show relatively stronger growth

Private NICU market size is around half of the total NICU market size in Fiscal 2021. The share of private NICU market is expected to increase in the upcoming Fiscals as the segment is anticipated to show a higher growth. Technical advancements to cater to niche areas and emergence of new private players in the NICU market expected to boost the growth. CRISIL Research projects CAGR 15% between Fiscal 2020 and 2026 in private NICU market.

### Market size of private neonatal care (NICU) market in India



P: Projected

Source: CRISIL Research

### New-born screening provides additional opportunity for early-stage detection of serious disorders

New-born screening (NBS) is the process by which new-borns are screened immediately after birth to determine if s/he is affected by an inborn error of metabolism and disorders that can cause severe illness or death. symptoms of such disorders are apparent at birth. If such disorders are undiagnosed and untreated many children develop mental retardation, learning disabilities, autism, dyslexia, behavioural abnormalities, and scholastic backwardness later in life. Early detection can aid treatment and reduce mortality rate for such disorders. Newborn screening can help to reduce infant mortality rate by providing earlier treatment for disorders.

The most rational and cost-effective way of preventing such disorders are earlier detection through a national NBS program which will detect most of the preventable or treatable, if not all IEMs and other genetic disorders. Hence, all hospitals in urban areas in India must have NBS at least for the common disorders: Congenital Hypothyroidism (CH), Congenital Adrenal Hyperplasia (CAH), and glucose-6-phosphate-dehydrogenase deficiency (G6PD) deficiency. NBS has not been accepted yet as a governmental policy in India.

In 2011, the national neonatology forum recommended CH, CAH, and G6PD as the screening panel to implement for NBS in India. Many small scale or pilot projects were started in India such as Chandigarh Program, Kerala State NBS program, and Goa NBS Program. Union territory of Chandigarh started NBS for CH, CAH, and G6PD in 2007. In 2008, Goa introduced mandatory expanded NBS for all newborns. In 2009, West Bengal and in 2011 Gujarat governments have approved to launch large scale NBS program. However, these programs remain yet to be implemented. The high cost of screening the first disorder is a barrier to starting a government sponsored program at national level.

There are no debates in the medical community questioning the benefits of screening; the consensus is that all babies need to be screened, but there is no coherent national strategy for implementing a universal screening program nor guidance on which disorders should be included in the screening panel. Currently many private hospitals and labs offer this facility although at a cost and there is no insurance or government funding for this. Private labs in newborn screening includes players such as Acquity Labs (Cloudnine / Kids Clinic India Ltd. have majority stake holding in the company), Navigene, diagnostics players including SRL diagnostics, Dr. Path Labs, Metropolis, Throcare and other regional players.

### ***Growth drivers for maternity segment in India***

In recent years the private antenatal hospitals have seen an uptake in demand from couples living in both small families and joint families.

<b>Growth factors</b>	<b>Overview</b>
Nuclearisation in family structure	Rise in nuclearization is pushing demand for comprehensive maternity care service under one roof. According to census data, the average household size of the country has come down to 4.91 in 2011, from 5.57 in 1991 indicating rise in nuclearization. This has also led to changing consumer behaviour, with less experience in parenting couples are moving towards professional care formats from traditional nursing practices
Changing lifestyle aspirations	Rise in per capita income and urbanization changing spending towards aspirational lifestyle. This has led to rise in demand for experiential value-added services
Changing consumer behaviour away from traditional maternity practices	Couples are increasing preferring professional services under one roof with dedicated maternity facilities separate from sick patient care while rural India is moving towards institutional births
Rise in working women population in urban areas	21.9% of women over 15 years of age were employed as of March 2020 in urban areas as against 20.5% of women over 15 years age of March 2011. With urbanization increasing from 31% to 35% from 2010 to 2020 the number of working women have increasing at faster rate than increase in urban population.
Rise in pregnancy age and complication during pregnancy	25-29 age group women contributed to 32% of the births in 2010-2015 period up from 28% in 2000-2005 period

Source: CRISIL Research

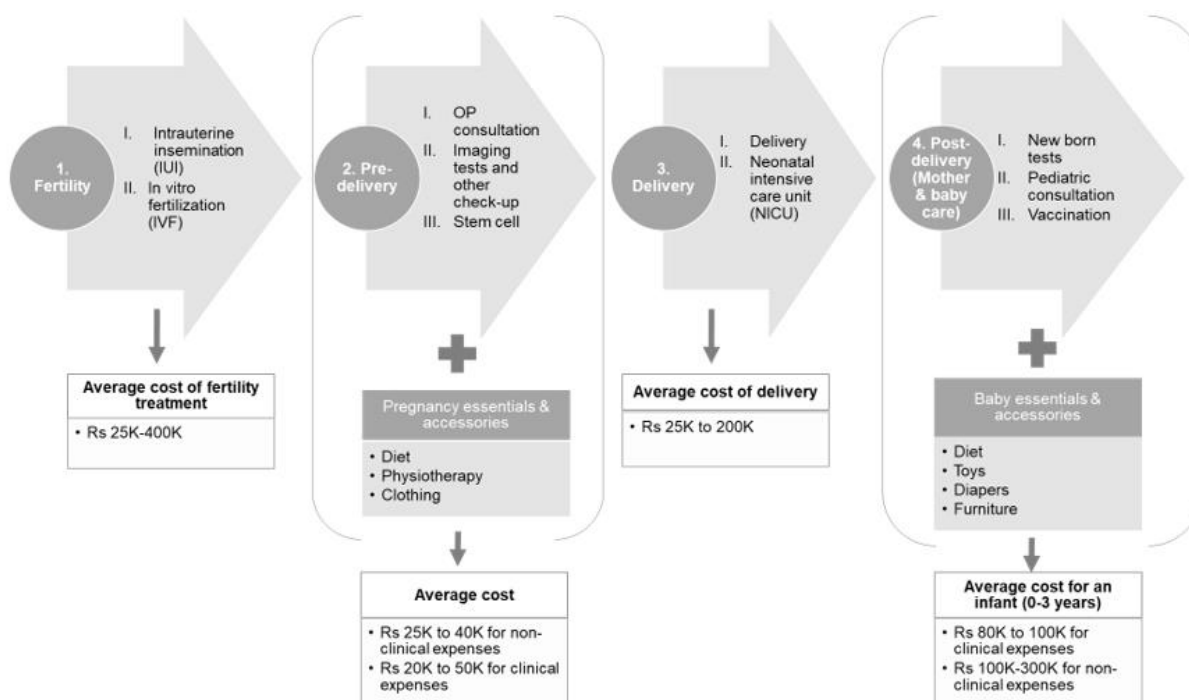
### ***Value added services and longer customer lifecycle providing diverse revenue streams for standalone maternity chains***

Maternity healthcare services have evolved over the years due to advent of innovative treatments, pregnancy planning etc. Hospital chains specialized in the maternity healthcare services provide wide range of services and customizations which can be availed by the patient/customer. Customer shift towards the better experience and propensity to spend on healthcare services coupled with higher disposable income for working class have been driving the shift towards consumption of more quality maternity services in India.

The typical customer lifecycle which lasts around 1-1.5 years for these chains consist of pregnancy planning, pregnancy, delivery, post-delivery stages along with other value-added services like baby accessories and essential. This customer lifecycles stages provides with differential revenue streams for the standalone maternity homes along with traditional clinical services revenue. The value-added services like IVF, NICU, baby essentials

and baby accessories etc. mentioned in the below mentioned chart costs on an average approximately ₹ 0.2 million to ₹ 1 million and can form the significant amount of revenue stream for players providing the value-added services.

**Customer Lifecycle Value for Maternity Healthcare Services (Source: CRISIL Research)**



**COMPETITION ANALYSIS IN MATERNITY AND ANTENATAL CARE IN INDIA**

In this section, CRISIL Research has compared the key players across key hospital segments – Multispecialty, Paediatric focused multispecialty, Super-specialty maternity and baby-care, Fertility specialty.

We have obtained data in this section from publicly available sources, including annual reports and investor presentations of listed players, regulatory filings, rating rationales, and/or company websites, as relevant.

Companies	Players	Year of Establishment	Type of Establishment	Brand for Maternity care
<b>Multispecialty hospital chains</b>				
Apollo Hospitals Enterprise Ltd (AHEL)	Apollo Hospitals	1988 (Cradle - 2004)	Chain	Apollo Cradle
Fortis Healthcare Ltd	Fortis (with La Femme)	1996 (La Femme- 2004)	Chain	La femme + Mamma Mia
Max healthcare group	MHG	2001	Chain	-
Narayana Hrudayalaya Ltd	Narayana Hrudayalaya	2000	Chain	-
Krishna Institute Of Medical Sciences Ltd	KIMS Hospital	1973	Chain	-
<b>Paediatric focused multispecialty hospital chains</b>				
Rainbow Children's Medicare Pvt Ltd	Rainbow Hospital	1999	Chain	BirthRight
Surya Hospitals Pvt	Surya Hospital	1985	Chain	-
<b>Super-specialty maternity and baby-care</b>				
Kids Clinic India Ltd	Cloudnine	2005	Chain	Cloudnine
Rhea Healthcare Private Limited	Motherhood	2008	Chain	Motherhood
Lineage Healthcare Limited	Cocoon	2011	Standalone	Cocoon
Neonatal care & Research Institute Pvt Ltd	Ovum	2011	Standalone	Ovum
<b>Fertility specialty players</b>				
Nova Medical Centers Private Limited	Nova IVF	2009	Chain	N.A

Companies	Players	Year of Establishment	Type of Establishment	Brand for Maternity care
Indira IVF Hospital Private Limited	Indira IVF	2015	Chain	N.A

\* A player having 3 or more outlets across 3 or more cities is classified as hospital chain or else standalone entity  
Apollo Health & Lifestyle Limited – (AHLL) is the company under which cradle brand is operational directly.

**Classification of key players by core offering**

Sr · No	Players	Adult multi-specialities^					Super-speciality paediatrics (multi-speciality)	Super-speciality mother and baby-care	Fertility / IVF	Total Revenue – FY21 Rs. Million
		Cardiology	Oncology	Neurology	Orthopaedics	Gynaecology and Maternity care				
1	Apollo Hospitals (incl. Apollo Cradle)	✓	✓	✓	✓	✓		✓	✓	1,05,607
2	Fortis Hospitals (incl. La Femme)	✓	✓	✓	✓	✓		✓	✓	39,796
3	MHG	✓	✓	✓	✓	✓			✓	36,290
4	Narayana Hrudayalaya	✓	✓	✓	✓	✓			✓	25,910
5	KIMS Hospital	✓	✓	✓	✓	✓			✓	13,401
6	Rainbow Hospital					✓	✓		✓	6,501
7	Surya Hospital					✓	✓		✓	223
8	Cloudnine							✓	✓	5,546
9	Motherhood							✓	✓	2,910
10	Cocoon							✓		136*
11	Ovum							✓	✓	456*
12	Nova IVF								✓	2,268*
13	Indira IVF								✓	N.A

^ Few key therapeutic areas, not exhaustive list \* Fiscal 2020 data

N.A: Not available; incld: including

Note: The data given above is only indicative and not exhaustive. Apollo Health & Lifestyle Ltd have presence across retail healthcare offerings such as dialysis, infertility, diagnostics, diabetes, dental, maternity, surgery-related healthcare care services

CRISIL Research has consider the players present in the red tile in the above table for competitive assessment of antenatal and maternity market competitive landscape

Note: CRISIL Research has defined maternity market as mother and baby care market covering ante-natal, post-natal healthcare services and healthcare service for babies age 0-3 years. Healthcare services for children aged 0-18.0 years of age is categorised as paediatric healthcare services. Hence paediatric healthcare service is divided into baby-care (0-3 years) and adolescents and teenagers (3 -18.0 years)

Source: Company annual reports/investor presentations/website, CRISIL Research

**Overview of revenue of key players (₹ Million)**

Sr. no	Revenue for	Fiscal 2019	Fiscal 2020	Fiscal 2021	Comments
Multi-specialty hospital chains					
1	Apollo	44,514	49,738	42,770	Top five therapeutic areas are cardiology (21%), oncology (11%), neurology (12%), orthopaedics (10%), and Gastroenterology (6%)
	AHLL	5,888	6,964	6,818	
	Apollo Cradle & Children’s Hospital Revenue for Cradle alone not available				
2	Fortis	35,920	37,532	31,237	Top five therapeutic areas are cardiology (17%), Oncology (10%), neurology (8%), orthopaedics (6%) and Gastroenterology (3%). IPD and other form 25% share in the revenue
	Gynaecology	N.A	1,877	1,249	
	Fortis La femme		Revenue for Fortis La Femme not available		Gynaecology forms 4-5% share in Fortis hospital revenue as per annual report
3	Max Healthcare	35,990	40,230	36,290	
4	Narayana Hrudayalaya	28,582	31,314	25,910	Top five therapeutic areas are cardiology (34%), Gastroenterology (14%), Oncology (13%), Renal (9%), neurology (8%), and orthopaedics (3%)
5	KIMS Hospital	9,239	11,287	13,401	Top five therapeutic areas are cardiology (18%), Renal (9%), neurology (13%), <b>Mother and Childcare (6%)</b> , Oncology (5.7%), orthopaedics (4.6%), and Gastroenterology (5.2%),
	Mother and Childcare			819	
Share of maternity / Gynaecology segment is 4-6% for key players such as Fortis and KIMS hospital, and is not among its top 5 therapeutics areas for players such as Apollo and Narayana Hrudayalaya					
Paediatric focused multi-specialty hospital chains					
6	Rainbow Hospital	5,428	7,194	6,501	
7	Surya Hospital	135	200	223	
Super-specialty mother and baby-care					
8	Cloudnine	4,219	5,163	5,546	Dedicated maternity and birthing hospitals providing traditional birthing maternity care plus complimentary new-age wellness, health and nurturing services
9	Motherhood&	1,838	2,849	2,901	
10	Ovum	373	456	N.A	
11	Cocoon - Jaipur	98	136	N.A	
Fertility speciality players					
12	Nova IVF	2,251	2,268	N.A	

N.A.: Not available

Positive year-on-year growth in revenue  
Negative year-on-year growth in revenue

Apollo Health & Lifestyle Limited (AHLL) has numerous other businesses apart from maternity care in retail healthcare such as dialysis centers, diagnostic centers, sugar clinics, surgery clinics, fertility clinics and others & - Rhea healthcare has adopted inorganic growth by acquisition of existing clinics and small hospitals and converting them into maternity hospitals. Pediatric care is defined as healthcare service for population aged between 0-18 years, baby care is considered for population aged between 0-3 years

Source: Company annual reports/investor presentations/website, rating rationale, CRISIL Research

**Revenue of key players in Fiscal 2021 (₹ Million) - Multi-specialty players**

Multi-specialty players	FY19	FY20	FY21	Y-o-Y growth FY21	CAGR FY19-21
Apollo Hospitals (AHLL)	44,514	49,738	42,770	-14.0%	-2%
AHLL	5,888	6,964	6,818	-2.1%	8%
Fortis Hospitals	35,920	37,532	31,237	-16.8%	-7%
Max Healthcare	35,990	40,230	36,290	-9.8%	0%
Narayana Hrudayalaya	28,582	31,314	25,910	-17.3%	-5%
KIMS Hospital	9,239	11,287	13,401	18.7%	20%

Source: Company annual reports/investor presentations/website, CRISIL Research



**Revenue of key players in Fiscal 2021 (₹ Million) - Pediatric multi-specialty players**

Pediatric multi-specialty players	FY19	FY20	FY21	Y-o-Y growth FY21	CAGR FY19-21
Rainbow Hospital	5,428	7,194	6,501	-9.6%	9%
Surya Hospital	135	200	223	11.4%	29%

Source: Company annual reports/investor presentations/website, CRISIL Research

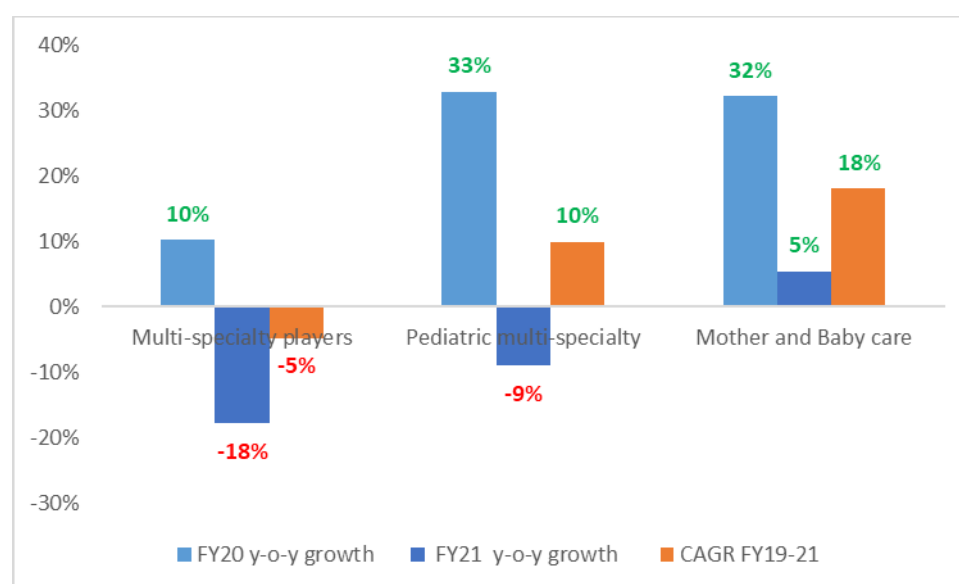
**Revenue of key players in Fiscal 2021 (₹ Million) - Super-specialty mother and baby-care**

Super-specialty mother and baby-care	FY19	FY20	FY21	Y-o-Y growth FY21	CAGR FY19-21
Cloudnine	4,219	5,163	5,546	7.4%	15%
Motherhood	1,838	2,849	2,901	1.8%	26%

Note: RHEA healthcare has acquired few existing clinics and small hospitals and converted them into maternity hospital with the brand name "Motherhood" and increased number of hospitals from 5 in Fiscal 2018 to 11-15 hospitals in Fiscal 2021  
Pediatric care is defined as healthcare service for population aged between 0-18 years, baby care is considered for population aged between 0-3 years

Source: Company annual reports/investor presentations/website, CRISIL Research

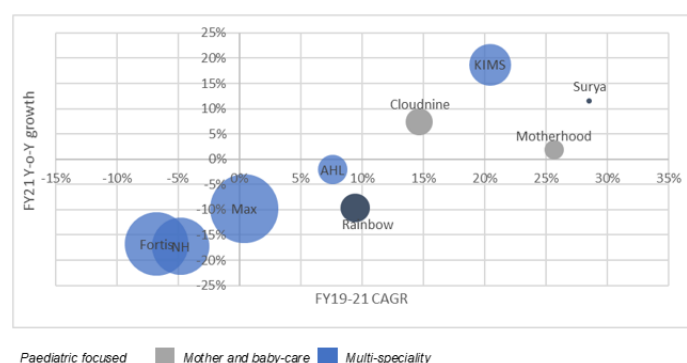
**Hospital sector growth for specific segments - Fiscal 2019-21 CAGR growth**



Multi-specialty players include Apollo Hospitals (AHLL), Fortis Hospitals, Max Healthcare, Narayana Hrudayalaya, KIMS Hospital Paediatric multi-specialty players include Rainbow Hospital, Surya Hospital. Mother and Baby care players include Cloudnine, Motherhood

Source: Company annual reports/investor presentations/website, CRISIL Research

## Mother & Baby care chains revenue not impacted by COVID-19 pandemic



Source: Company annual reports/investor presentations/website, CRISIL Research

### Operational Parameters- Scale of operation

Major Focus	Super-specialty mother and baby-care					
Parameter for Brands	Cloudnine	Motherhood	Cocoon	Ovum	Fortis-La Femme	Cradle (AHLL)*
No. of Hospitals	23	15	1	3	2+2 <sup>\$</sup>	14
No. of Clinics	-	3	-	1	-	8
No. of Beds (Total)	1,022	411	-	90	110 <sup>\$</sup>	~470

IVF: In vitro fertilization; ART: Assisted reproductive technology

Note: The data given above is only indicative and not exhaustive

Pediatric care is defined as healthcare service for population aged between 0-18 years, baby care is considered for population aged between 0-3 years

<sup>\$</sup>: Beds capacity is for 2 hospitals in Delhi and Bengaluru. The other 2 centers are present with Fortis hospital healthcare offerings and not as standalone entity

\* 11 cradle centers are owned by Apollo Health and Lifestyle

Source: Company annual reports/investor presentations/website, CRISIL Research

### Operational Parameters- Scale of operation (Fertility players)

Parameter for Brands	Indira IVF	Nova IVF	Apollo Fertility	Cloudnine	Motherhood	Fortis
No. of clinics	102	42	33	24	10	6
Presence	20 states	17 states / 28 cities	10 states	7 states	5 states	2 states

Source: Company annual reports/investor presentations/website, CRISIL Research

### Observations

- Maternity focused hospitals have seen positive growth in Fiscal 2021, as maternity services continued to be in demand during pandemic as against decline in planned surgeries and IPDs
- Among the players mentioned above Cloudnine (Kids Clinic India Ltd) has the highest number of super-specialty hospitals focused on super specialty mother and baby-care chains as of Fiscal 2021
- Cloudnine (Kids Clinic India Ltd) has highest number of beds among the above-mentioned super specialty mother and baby-care chains as of Fiscal 2021
- Cloudnine has significant presence in fertility business as well, with presence across 7 states with 24 clinics and fertility segment contributing towards 10% of IPD segment for Cloudnine as of Fiscal 2021
- Cloudnine has largest presence in terms of number of hospitals across all major metros and tier-I cities across India as of March 2021

- Cloudnine emerges as the leading chain, in terms of revenue, in super-specialty mother and baby care hospital chain segment with revenue of ₹ 5,546 million. Cloudnine also has highest number of hospitals across the major cities as of fiscal 2021 among the super-specialty mother and baby care hospitals. Cloudnine is followed by Motherhood for highest number of hospitals across the major cities as of fiscal 2021.
- Private maternity healthcare market is expected to grow faster at 11-12% between fiscal 2020 and 2026 bringing in opportunities for growth for super-specialty mother and baby care hospitals.
- In Fiscal 2021, Cloudnine registered a market share of 15-20% in super-specialty maternity chains market in India
- In Fiscal 2021, Cloudnine registered a market share of 1.5% in private maternity care market in India
- Cloudnine reported market share of 0.7% in maternity care market and market share of 15-20% in super-specialty maternity chains market in India in Fiscal 2021

## OUR BUSINESS

*Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 18 for a discussion of the risks and uncertainties related to those statements and also “Risk Factors”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 27, 217 and 279, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Our Company’s financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular fiscal year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For further information, see “Restated Consolidated Financial Information” beginning on page 224. Additionally, please refer to “Definitions and Abbreviations” on page 1 for certain terms used in this section.*

*Unless the context otherwise requires, in this section, references to “we”, “us” and “our” refer to Kids Clinic India Limited on a consolidated basis while “our Company” or “the Company”, refers to Kids Clinic India Limited on a standalone basis.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “Assessment of the healthcare delivery market in India” dated December 2021 (the “**CRISIL Report**”) prepared and issued by CRISIL Limited, appointed by our Company pursuant to an engagement letter dated October 26, 2021, and exclusively commissioned and paid for by us in connection with the Offer. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. A copy of the CRISIL Report shall be available on the website of our Company at <https://www.cloudninecare.com/others/investors> in compliance with applicable laws. For more information, see “Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such a purpose.” on page 51. Also see, “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” on page 15.*

### **The Cloudnine Experience**

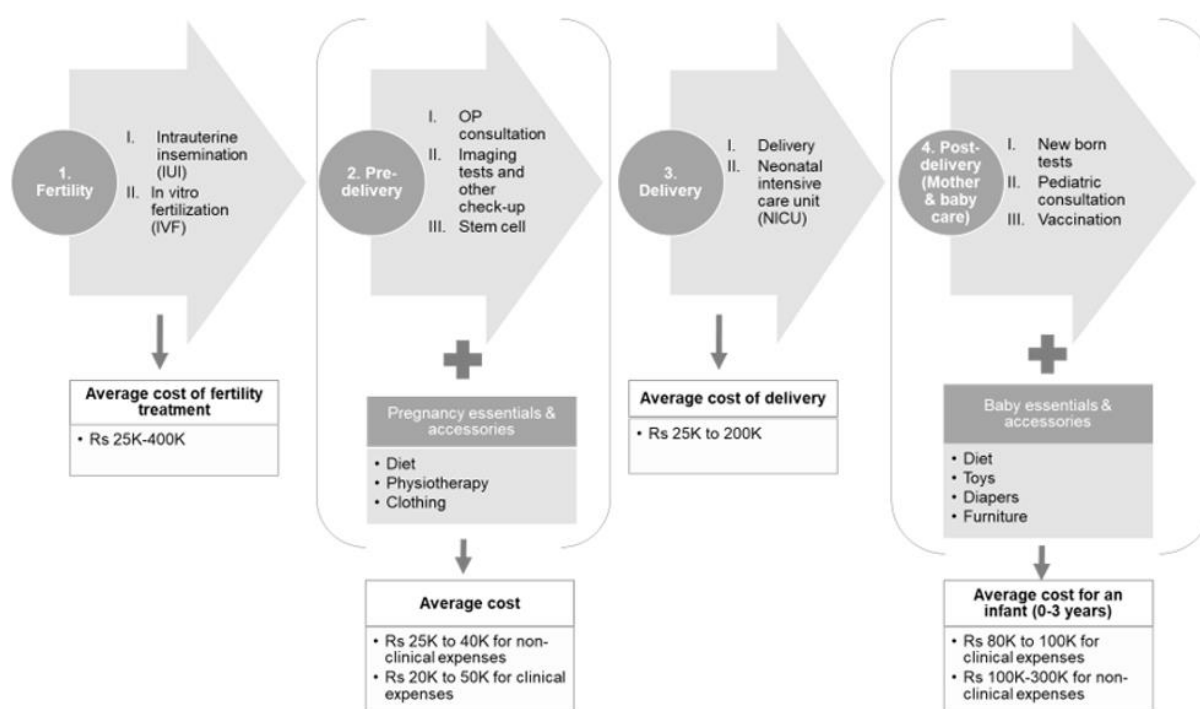
Centred around the focus of healthy mothers and happy babies, we were named Cloudnine with the aspiration to become a preferred brand for mothers to experience the joys of the parenthood journey. We consider the birth of a child to be a celebration of one of life’s greatest gifts, and consider the pregnancy journey to be a magical one. With an undiluted focus on mother and baby, we are able to dedicate our resource allocation, management and coordination, doctor and staff training, infrastructure and ambience to provide dedicated care for our customers and an attractive workplace for doctors in specialisations related to our services. Established with this vision, we aim to provide our customers with world-class medical expertise, advanced facilities, and staff dedicated to the holistic well-being of mother and baby, for a pregnancy journey filled with love and laughter.

The Cloudnine experience differs from other general healthcare interactions which are often one-off or transactional. We consider parenthood as an engaging journey – from conception to pregnancy and birth to the active management and rearing of the child. We manage the parenthood journey through a close relationship established by our team of experienced doctors, nutritionists, fertility counsellors, Lamaze experts, lactation consultants - all coordinated by a dedicated customer relationship executive assigned to the customer. We strive to understand and address each customer’s unique needs by effectively creating bespoke solutions for potential parents, designed to help them navigate through this parenthood journey.

## Overview

We are the leading brand in the super-speciality mother and baby-care space in Fiscal 2021, based on the highest revenue and highest number of hospitals across the major cities as of Fiscal 2021 among the super-speciality mother and baby care hospitals (*Source: CRISIL Report*) at 18 centres as of September 30, 2021 and at 23 centres as of the date of this Draft Red Herring Prospectus. The private maternity healthcare market in Fiscal 2020 was ₹ 208 billion and is projected to grow to ₹ 261 billion in Fiscal 2026. (*Source: CRISIL Report*) We provide expectant mothers with quality medical expertise, medically-advanced facility infrastructure and a bespoke motherhood journey covering most of their needs. As of Fiscal 2019, 2020, 2021 and September 30, 2021, we had assisted with 13,532, 15,975, 16,801 and 9,155 deliveries, respectively, and had provided 6,238, 6,166, 5,994 and 3,782 fertility services, respectively. We offer end-to-end coverage of all stages of the parenthood journey, beginning with fertility treatments, through maternity, neonatology and paediatrics, dedicated to the holistic well-being of mother and baby. As of the date of this Draft Red Herring Prospectus, we have set up 23 centres across six states and one union territory in India.

The following chart sets forth certain information relating to the entire perinatal journey and an estimated cost incurred by customers in this journey.



(Source: CRISIL Report)

We rely on digitization and leverage technology to enhance the quality of our clinical services, while targeting significant wallet share of customers and managing customer relationships. We continuously strive to fine tune and leverage digital tools to enhance the efficiency of our operations, codify clinical protocols for easy execution, and extend our services beyond our physical centres and existing markets to wider demand pools. Below are some of our recent technology enabled initiatives:

- **Customer mobile application for better engagement.** We have developed an in-house comprehensive mobile application with an in-built chatbot assistant, and features that allow customers to manage all matters relating to our services on a consolidated platform, connect to a community of mothers, medical experts and doctors for advice on perinatal matters, and shop at an expert-curated e-commerce marketplace for all maternity and baby-related products. Our customer mobile application has received more than 181,000 downloads on android and iOS as of September 30, 2021.
- **Effective doctor application, Clinic-in-a-box.** We have developed an application for doctors which enables them to conduct out-patient consultations virtually, access past medical records, prescribe ultrasound scans, laboratory reports, and medicine by selecting from the formulary, and integrating prescriptions into the customer mobile application. We have made this application available to doctors

at our centres as well as doctors operating their own clinics. As of September 30, 2021, we hold medical records of more than 768,770 customers.

- **E-NICU.** We have recently commenced offering e-NICU services, a novel deployment of technology, where a set of NICUs (neonatal intensive care units) are digitally interconnected, with a specialised software interface that allows doctors to remotely monitor and manage infants while viewing their progress through high-resolution cameras and accessing live feed of the data from the critical care equipment. The local care team is supported by the software which is empowered by detailed protocols drawn up by our expert neonatology team of medical experts. These protocols are auto-triggered based on the data feed from the critical care equipment, and are capable of prescribing quality care with digital interconnectivity, thereby ensuring standardised quality medical care.

The quality of medical care we provide is evidenced by the number of quality certifications and other achievements that our centres have obtained from various reputed Indian agencies. Our facility at Bengaluru ranked as No. 1 National Single-Speciality Hospitals by the Times of India in 2020 in the Ob-Gyn and Paediatrics category, and our Gurugram facility was ranked as No.1 in All India Fertility & IVF Hospitals/clinic ranking survey 2020-2021. We have also received an award for the highest standard in patient care at the CIMS Healthcare Excellence Awards in 2016, and was named one of the best healthcare brands by The Economic Times in 2016 under Specialised hospitals for women and child category.

We believe that our blend of quality infrastructure and services, and a robust customer lifecycle management process backed by a customer-centric approach, attracts clinical talent from respective specialisations to build their medical practice with us. As of Fiscal 2019, 2020, 2021 and September 30, 2021, our full-time consultants represented 86.60%, 87.17%, 86.67% and 87.28% of our revenue from centre operations (which excludes revenue from COVID-19 vaccine business) in Fiscal 2019, 2020, 2021 and in the six months ended September 30, 2021, respectively. The presence of quality, committed doctors provides stability in the perinatal journey for our customers and significant predictability in our cash flows as the revenue-generating aspects of each customer's perinatal journey is predetermined based on the expected delivery date.

We believe that committed and satisfied employees are key to our achieving positive customer interactions and providing high-quality healthcare services. We have consistently endeavoured to create an organization that is the preferred choice for our medical practitioners and other staff. We were recognised as a "Great Place to Work" by the GPTW-Institute India with a trust index, scored through employee surveys, of 78%. Even during the COVID-19 pandemic, we remained sensitive to the needs of our employees and thus, did not implement any reduction in compensation or headcount, introduced work-from-home facilities for specific administrative functions, including isolation facilities and emergency care for employees, and additional hardship allowance for all frontline staff to recognise their efforts and commitment in difficult times.

Geographically, we continue to focus on two key regions, the NCR (National Capital Region) and Bengaluru, Karnataka for our expansion plans in the medium term. We have adopted a concentric cluster approach to expansion by saturating existing clusters before activating new cities, to achieve economies of scale, better leverage for brand building endeavours, marketing and resource-sharing. We focus on expansion largely through the leased model. According to CRISIL, owning the land and constructing the building attracts approximately 35% to 40% of the capital cost. Hence, resorting to the leased model allows us to significantly reduce the capital cost and allows faster expansion. (*Source: CRISIL Report*)

We have largely standardised the format and optimised capital expenditure of our expansion for rapid deployment across urban India. Some of our key strategies of expansion includes refurbishing cold shells or existing hospitals (as implemented in our Panchkula and Kanakapura Road centres) or transforming hotels (as we have implemented in our East Delhi centre in the NCR). This allows us to increase the density of clusters, enjoy economies of scale and expand in an asset-light manner.

Our first centre was established in Bengaluru, Karnataka in 2006, and has grown under the guidance of our founders, Dr. R. Kishore Kumar and Mr. Rohit M A, an experienced neonatologist who had practiced previously in Australia and the USA, returned to India with a vision to establish world-class mother and baby care focused facilities developed on the basis of best practices followed in such jurisdictions with advanced medical care facilities. Our founders have been actively involved in guiding our vision and strategic focus. We have a committed and experienced senior management team with extensive experience, which enables us to capitalize on future growth opportunities. In addition, our marquee investor base that includes True North Fund V LLP, SCI Growth Investments II and NewQuest Asia Fund IV (Singapore) Pte. Ltd., have allowed us to grow into multi-centre, multi-city operations. The professional management team from our marquee investors have assisted us in

implementing robust corporate governance procedures, capital raising and strategic business advice, which we believe have been critical to our growth.

The COVID-19 pandemic adversely impacted business operations across various industries, including healthcare. However, during this period, we experienced an increase in demand for mother and baby care at our centres. Our delivery count increased in Fiscal 2021 with more customers switching over to us given the heightened concerns of safety and infection. In the post-COVID-19 world, the need for social distancing and contactless services is changing consumer preferences, and hospitals focussed on maternity speciality services such as ourselves saw a lot of resilience and faster recovery in revenues. (Source: CRISIL Report)

Despite the decrease in our elective procedures such as gynaecological surgeries and fertility treatments during such period, we did not experience any decline in our financial performance in Fiscal 2021 or in the six months ended September 30, 2021; our revenue from operations increased at a CAGR of 15.16% from ₹ 4,181.82 million in Fiscal 2019 to ₹ 5,545.86 million in Fiscal 2021, while our EBITDA increased at a CAGR of 55.80% from ₹ 331.45 million in Fiscal 2019 to ₹ 804.58 million in Fiscal 2021. Our revenue from operations and EBITDA was ₹ 3,716.47 million and ₹ 636.18 million in the six months ended September 30, 2021. Our EBITDA remained positive in Fiscal 2019, 2020, 2021, in the six months ended September 30, 2020 and in the six months ended September 30, 2021. Our restated loss before tax decreased from ₹ 746.79 million in Fiscal 2019, to ₹ 344.15 million in Fiscal 2021, and by 46.99% from ₹ 182.63 million in the six months ended September 30, 2020 to ₹ 96.81 million in the six months ended September 30, 2021. Our restated loss after tax also decreased from ₹ 654.73 million in Fiscal 2019, to ₹ 347.08 million in Fiscal 2021, and by 46.11% from ₹ 182.96 million in the six months ended September 30, 2020 to ₹ 98.59 million in the six months ended September 30, 2021.

### **The Mother & Baby Care Opportunity in India**

There has been an increased demand for comprehensive mother and baby care, and the rise in spending wallet size of young couples, increased demand for comprehensive mother and baby care, increasing awareness about maternity planning and health check-up, increased complications during pregnancy, demand for a hassle-free birthing experience are expected to augur growth for the super-speciality mother and baby care hospitals. (Source: CRISIL Report) The private maternity healthcare market in Fiscal 2020 was ₹ 208 billion and projected to grow at CAGR of 11% to 12% from Fiscal 2021 to Fiscal 2026 to reach ₹ 261 billion in Fiscal 2026. (Source: CRISIL Report)

India has nearly 240 million females in the reproductive age of 25 to 49 years and ranked second after China in 2020, and has one of the highest crude birth rates of 18.0 births per 1,000 population from 2015 to 2020, (Source: CRISIL Report) which will continue to drive demand for our delivery services. Maternal mortality and neonatal mortality rates were also higher in India compared to other countries. In 2017, maternal mortality rates in India was 145 deaths per 100,000 live births compared to 29 deaths per 100,000 live births in China and 19 deaths per 100,000 live births in the United States. (Source: CRISIL Report) In 2019, neonatal mortality rates in India was 22.7% compared to the global average of 17.5%. (Source: CRISIL Report) Other than in the metropolitan cities, the availability of quality neonatal care in urban India is also limited. (Source: CRISIL Report)

The private maternity healthcare market is expected to grow on account of increased penetration of institutional deliveries, the rising share of private hospitals in rural and urban areas, increase in the expenditure on maternity healthcare, and rise in the treatment costs on account of delayed deliveries. (Source: CRISIL Report) At the same time, assisted reproductive technology (“ART”) has witnessed strong growth in the last few years. Incidence of infertility in India is between 10 and 15% resulting in approximately 25 to 30 million couples are likely to be infertile in the country at any given time. (Source: CRISIL Report) The rise in age of women for first-time pregnancy can also increase risks of complications during pregnancy period. 25-29 age group women contributed to 32% of the births in 2010-2015 period up from 28% in 2000-2005 period. (Source: CRISIL Report) This increases the need for comprehensive and innovative fertility services, and specialised care during the perinatal period.

Increasingly, working women are preferring specialized standalone maternity hospitals and antenatal care services rather than traditional nursing homes for obstetrics healthcare services. In particular, customer preferences have moved significantly in favour of convenient, affordable and personalised treatment with a lot of involvement of technology. (Source: CRISIL Report) We believe that as a super-specialty mother and baby care chain, we will continue to capture market share from unorganized players by offering better experience, superior clinical outcome, contemporary customer reach out and engagement strategies and rapid expansion plans, while on the other hand to benefit from growing market.

## Our Value Proposition

We attribute our success to our continued focus on the two key stakeholders of our ecosystem – our customers and our doctors. We have developed several value propositions to both of our key stakeholders to build a sustainable business model.

Our philosophy is to focus on care of the mother, providing a bespoke motherhood journey covering all possible needs with our quality medical expertise and medically-advanced facility infrastructure. Our value proposition to the customers is underpinned by the following key pillars:

- **Bespoke care for each customer.** We identify various customer segments based on their respective socio-economic demographics, personal and family preferences, and specialized requirements. Accordingly, we customize our service offerings and customer engagement to enable considered choices focused on each mother's unique needs and preferences.
- **Digital engagement with the millennial mother.** We significantly leverage digital and technology-enabled approaches to more effectively reach out to millennial mothers, who are typically more tech-savvy and well-acquainted with digital platforms. For example, our customers are able to track and manage their entire journey with ease on our customer mobile application, which has been designed for convenience. We also host a large community of mothers on our cloudninemamas.com platform, accessible from our customer mobile application, where members can receive mother-to-mother support and experts-to-mother guidance.
- **Unique celebratory perspective for a memorable experience.** We regard the pregnancy journey as a celebratory one and strive to offer a differentiated, memorable experience with the joy of our customers in mind. We have introduced numerous celebratory elements in our packages for our customers, such as special baby showers, candlelight dinners before the expected delivery date, exclusive gift hampers for mother and baby. Our centres are thoughtfully designed with vibrance and colour as a reflection of the celebratory nature of the parenthood journey.
- **Integrated comprehensive care through the entire perinatal journey.** The customer relationship executive assigned to the customer in Cloudnine helps them through all stages of the perinatal journey; all the required capabilities, including fertility treatment, maternity, paediatrics with all the allied services of foetal medicine, diagnostics laboratories, radiology, ultrasound, nutrition planning, physiotherapy, lactation expertise and pharmacy, are available under one roof. We provide other unique ancillary services such as Lamaze and yoga sessions, and pedagogic preparatory courses for the parents.
- **Quality clinical care with skilled doctors.** We are staffed with experienced healthcare professionals capable of handling all aspects of fertility, maternity, neonatology or paediatrics. We hire doctors with good clinical standing and substantial experience. We also ensure our doctors are post-graduate doctors with experience in their specialisations.
- **Robust checks and medical protocols.** We have also developed strict and structured protocols that enable our care teams to deal with commonly occurring issues that may arise during the entire perinatal journey. We conduct monthly reviews meetings to examine medical incidents and conduct quarterly morbidity and mortality meetings. We are the only Indian hospital chain to be a part of the Vermont Oxford Network (VON), which is a world-wide database of quality, outcome and effectiveness of medical treatments and healthcare practices.

A key determining factor for customers in their choice of hospital lies in the expertise, qualification and reputation of the doctors. We place deep emphasis on attracting, training and retaining our clinical talents. Our value proposition to medical practitioners is underpinned by the following key pillars:

- **Enabling environment for career growth.** We offer competitive and well-defined compensation for our doctors, who also receive greater empowerment and prominence as compared to working in multi-speciality hospitals where obstetrician-gynaecologist (ob-gyn) and paediatrics are not the top specialities. We have also implemented a structured career development program for young doctors who remain associated with us but can run independently under our brand. A number of doctors who have been exclusively associated with us now lead the clinical practice in obstetrics, neonatology and paediatrics at several of our centres.



- **Access to advanced medical equipment and digital solutions.** We offer advanced medical equipment and continuously invest in medical technology and equipment and modernise our facilities. Our doctors receive access to the latest digital solutions in the field such as the e-NICU and an AI-driven applications for doctors to seamlessly access medical records, conduct consultations and prescribe medication.
- **Clinical excellence.** We believe that our clinical excellence, reputation for quality care and strong brand initiatives enable us to provide a strategic base to our doctors to grow their practices in the specialized mother and baby care fields. As we strive for continuous improvement, we also have a medical practices committee at each centre which comprises a team of senior doctors who meet regularly to review all complicated cases handled by the centre, and recommend modifications and improvements to the existing processes, if required.
- **Academic pursuits and research and development.** Our doctors are encouraged and actively participate in our training programs, fellowship initiatives, clinical trials and publications in leading journals including the European Journal of Human Genetics and Acta Paediatrica as well as several respected Indian medical journals.

The table below sets forth certain of our key operational and financial metrics for the years / periods indicated:

Key Performance Indicators	As of and for the financial year ended March 31,			As of and for the six months ended September 30, 2020	As of and for the six months ended September 30, 2021
	2019	2020	2021		
<b>Financial</b>					
Total Income (₹ million)	4,283.72	5,259.92	5,665.65	2,668.43	3,756.19
Restated loss before tax for the period / year (₹ million)	(746.79)	(363.43)	(344.15)	(182.63)	(96.81)
Restated loss after tax for the period / year (₹ million)	(654.73)	(296.21)	(347.08)	(182.96)	(98.59)
Total Assets (₹ million)	6,237.85	6,157.23	6,092.07	7,082.36	7,832.77
Total Equity (₹ million)	2,419.54	2,347.18	2,170.42	2,054.62	2,264.44
Revenue from Operations (₹ million)	4,181.82	5,163.04	5,545.86	2,602.60	3,716.47
- Mature centres <sup>(1)</sup>	3,143.00	4,102.90	4,916.15	2,177.00	3,028.82
- New centres <sup>(2)</sup>	906.61	1,023.04	420.31	386.79	183.62
- New centres opened in the period	106.22	-	109.53	16.68	13.76
- COVID-19 Vaccine	-	-	-	-	398.13
- Lab Services <sup>(3)</sup>	25.99	37.10	99.87	22.13	92.14
Operating EBITDA (₹ million) <sup>(4)</sup>	(175.46)	233.39	300.85	112.22	332.83
Operating EBITDA Margin (%) <sup>(5)</sup>	(4.20)%	4.52% [+8.72%]*	5.42% [+0.90%]*	4.31%	8.96% [+4.65%]*
- Mature centres <sup>(1) (6)</sup>	2.08%	6.61% [+4.53%]*	6.20% [-0.41%]*	4.35%	11.49% [+7.14%]*
ROCE – Mature centres <sup>(1)</sup> only <sup>(7)</sup> (%)	(7.81)%	1.61% [+9.42%]*	(0.10)% [-1.71%]*	(2.63)%	10.05% [+12.68%]*
<b>Operational</b>					
Number of centres	14	14	16	15	18
- Mature centres <sup>(1)</sup>	8	10	13	12	14
- New centres <sup>(2)</sup>	5	4	1	2	2
- New Centres opened in the period	1	-	2	1	2
Average vintage of centres <sup>(8)</sup>	3.91	4.92	5.23	5.07	5.11
Number of transacting customers <sup>(9)</sup>	488,775	550,902	478,659	222,075	316,802
Number of deliveries <sup>(10)</sup>	13,532	15,975	16,801	8,610	9,155
Average number of deliveries / months	1,128	1,331	1,400	1,435	1,526
Number of fertility cases conducted <sup>(11)</sup>	6,238	6,166	5,994	2,106	3,782
Number of stem cell cases	2,059	2,752	2,813	1,320	1,522

Key Performance Indicators	As of and for the financial year ended March 31,			As of and for the six months ended September 30, 2020	As of and for the six months ended September 30, 2021
	2019	2020	2021		
conducted <sup>(12)</sup>					
Usage of teleconsultation (%) <sup>(13)</sup>	NA	0.12%	15.51%	20.73%	18.38%

<sup>(1)</sup> Mature centres are defined as centres which have been operating for at least 36 months of operation as of the respective dates.

<sup>(2)</sup> New centres are defined as centres which have been operating for less than 36 months of operation as of the respective dates.

<sup>(3)</sup> Lab services includes revenue from subsidiary entity after giving impact of consolidation.

<sup>(4)</sup> Operating EBITDA is calculated as Restated loss after tax plus total tax expense, finance costs and depreciation and amortization expense less Lease Payments, Interest Income on Bank Deposits, Interest Income on other financial assets at amortised cost, Interest Income on income tax refund, Net gain on sale of current investments, Fair value gain on investments at fair value through profit or loss.

<sup>(5)</sup> Operating EBITDA margin is calculated as the percentage of Operating EBITDA divided by revenue from operations.

<sup>(6)</sup> Operating EBITDA Margin for centres - Operating EBITDA Margin for centres is calculated as the percentage of Operating EBITDA of centres divided by revenue from centres. Operating EBITDA for centres is calculated by considering revenue of centre less expenses of centre, allocated expenses of corporate (expense of centre excludes depreciation and amortization, finance costs and tax expense).

<sup>(7)</sup> Return on Capital Employed (RoCE) of Centres - RoCE of the centres refers to Earnings Before Interest & Tax (EBIT) of the centres divided by Capital Employed of the centres. EBIT of the centres is calculated by considering revenue of centres less expenses of centre, allocated expenses of corporate, depreciation of Property Plant and Equipment of centre (expense of centre excludes finance costs and tax expense). Capital employed of the centres is calculated as sum of Security Deposit of centres, Net block of Property Plant and Equipment and other Intangible assets of centres, allocated working capital (current assets - current liabilities excluding current lease liabilities) and other allocated assets.

<sup>(8)</sup> Average vintage of centres is calculated as total vintage divided by number of active centres on the relevant date.

<sup>(9)</sup> Number of transacting customers is calculated by summing up unique customer interaction in a month.

<sup>(10)</sup> Number of deliveries is calculated by summing up the count of new births (twins being counted as one).

<sup>(11)</sup> Number of fertility cases is calculated by summing up fertility cases for the relevant period.

<sup>(12)</sup> Number of stem cell cases is calculated by summing up stem cell cases for the relevant period.

<sup>(13)</sup> Usage of teleconsultation is calculated by number of teleconsultation divided by total number of OPD consultations.

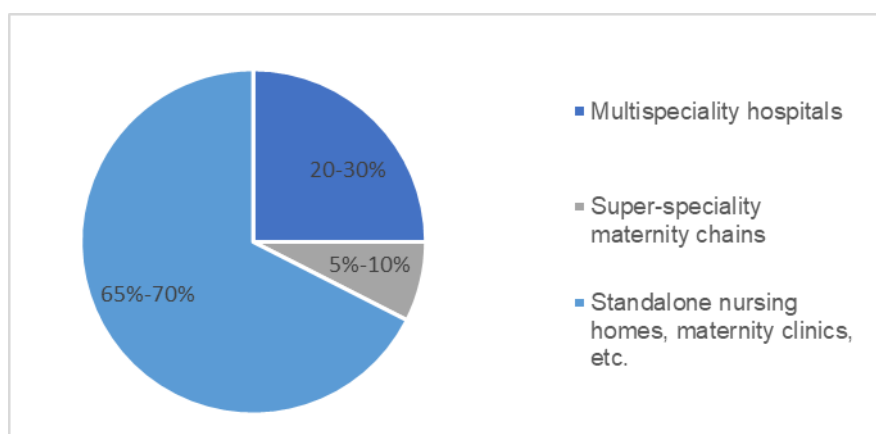
Note: Ratios for the six months period ended September 30, 2021 and September 30, 2020 have not been annualised.

\* refers to change in EBITDA margin compared to the previous fiscal/period.

## Competitive Strengths

### Leading specialised mother and baby care chain operating in a fast growing market

The private maternity healthcare market in Fiscal 2020 was ₹ 208 billion and projected to grow at CAGR of 11% to 12% from Fiscal 2021 to Fiscal 2026 to reach ₹ 261 billion in Fiscal 2026. (Source: CRISIL Report) The chart below describes the market share among multi-specialty hospitals, nursing homes and clinics, and standalone maternity chains in the private mother and baby care space in Fiscal 2020.



Source: CRISIL Report

Maternity care still remains largely unorganised with standalone nursing homes and maternity clinics accounting for 65% to 70% of the market. (Source: CRISIL Report) As a result, organised super-specialty mother and baby care chains such as ourselves continue to eat into the market share of the unorganized by offering better experience, superior clinical outcome, contemporary customer reach out strategies and faster expansions. (Source: CRISIL Report)

With India reporting an under-penetration of quality specialized healthcare infrastructure, there is significant growth opportunities for super-specialty chains to provide integrated services in mother and baby care sector, as

they currently have penetration of only 5-10% in private maternity care market as of Fiscal 2021. (Source: *CRISIL Report*) We have rapidly grown our operations and as of the date of this Draft Red Herring Prospectus, we had established 23 centres across six states and one union territory in India. We recorded revenue from operations of ₹ 5,545.86 million in Fiscal 2021. This was the highest in India amongst super-specialty mother and baby care space. (Source: *CRISIL Report*). We believe that our scale of operations, our comprehensive and bespoke service offering and best practices, provides a competitive advantage.

We have received a number of national and regional awards recognising our leadership position in India and particular regions across various specialisations within the mother and baby care service space. The following sets out some key awards and accreditations we have received in the past.

Calendar Year	Details
2016	<ul style="list-style-type: none"> <li>• CIMS Healthcare Excellence award for Hospital with Highest Standard in Patient Care</li> <li>• Economic Times Best Healthcare Brands award for Specialised Hospital for Woman and Child</li> <li>• Silicon review award for 50 best companies to Work For</li> <li>• Worldwide Achievers Business Leadership Summit Award for Best Women and Child Hospital in India</li> <li>• Vijayavani Healthcare Achievers &amp; Leaders Award for Best Customer Service in Healthcare</li> <li>• ipsa International Product and Service Award for Best Women and Child Hospital in India</li> </ul>
2017	<ul style="list-style-type: none"> <li>• Times Healthcare Achievers Award 2017 for the Best Single Specialty Hospital– Obstetrics, Gynaecology &amp; Paediatrics</li> </ul>
2018	<ul style="list-style-type: none"> <li>• Honoured by Times Healthcare Achievers 2018 in the Emerging Multi Speciality Hospital Category</li> <li>• Our centre at Bengaluru ranked (national ranking) ranked as No. 9 Hospital in India (Obstetrics &amp; Gynaecology) – All India Critical Care Hospital Ranking Survey 2018 by Times of India</li> <li>• Our centre at Bengaluru ranked as No. 1 Hospital in Bengaluru (Obstetrics &amp; Gynaecology) – City wise - All India Critical Care Hospital Ranking Survey 2018 by Times of India.</li> <li>• Our neonatology units at Bengaluru and Chennai were accredited by the National Neonatology Forum (“NNF”)</li> </ul>
2019	<ul style="list-style-type: none"> <li>• Infocomm India Award in IT Excellence</li> <li>• Our centre at Malad, Mumbai ranked as No.3 (West) Single Speciality Hospital for West Region (Obgyn) and ranked as No.2 (West) Single Speciality Hospital (Paediatrics) - All India Critical Care Hospital Ranking Survey 2019 by Times of India</li> <li>• Our centre at Bengaluru ranked as India’s No 4 Single speciality Hospital – All India Critical Care Hospital Ranking Survey 2019 by Times of India</li> <li>• Our centres at Bellandur, Jayanagar, Sector 47, Gurugram, Kalyaninagar and Malad were accredited by National Accreditation Board for Hospitals and Healthcare Providers (“NABH”)</li> </ul>
2020	<ul style="list-style-type: none"> <li>• Our centre at Bengaluru ranked as India’s No. 1 Single speciality Hospital – All India Critical Care Hospital Ranking Survey 2020 (Obstetrics &amp; Gynaecology) by Times of India</li> <li>• Our centres at Chandigarh and Old Airport Road, Bengaluru, was accredited by NABH</li> <li>• Our neonatology units at Gurugram and Vashi, Maharashtra were accredited by the NNF</li> </ul>
2021	<ul style="list-style-type: none"> <li>• Our centres at Malleswaram, HRBR Bengaluru and Noida, Uttar Pradesh were accredited by NABH</li> <li>• Our centre at Bengaluru ranked as India’s No. 1 City Multi Speciality Hospitals by Times of India for All India IVF &amp; Fertility Hospitals ranking survey 2020-2021</li> <li>• Our centre at Gurgaon ranked as No. 1 by The Times of India for All India IVF &amp; Fertility Hospitals ranking survey 2020-2021</li> <li>• Our neonatology units at Bengaluru and Chandigarh were accredited by the NNF</li> </ul>

For more information, please see “*History and Certain Corporate Matters – Awards and Accreditations*” at page 191.

Given our market position in this highly fragmented and rapidly growing space, we believe we are well positioned to continue to strategically and aggressively expand our operations across India and grow our customer base.

### **Differentiated, comprehensive and customer-focused approach to the perinatal journey**

Our differentiated perspective to motherhood and the perinatal journey allows us to provide a memorable, comprehensive experience and capture the customer’s wallet share through this journey with a longer customer lifetime value. We offer a comprehensive suite of services across the entire spectrum of the perinatal journey – covering most health needs from conception to post-natal to paediatric care. We believe fertility services and maternity care should be regarded as a continuum and therefore provide fertility services together with ob-gyn

services. We therefore provide customers a convenient destination that meets all their needs, thereby increasing possibility of internal referrals and ring-fencing of customers, to capture a greater wallet share and leverage existing word-of-mouth marketing from our maternity segment to grow our fertility care segment.

We believe we are differentiated as we view the pregnancy journey and childbirth as joyous occasions, and have introduced various distinctive experiences for our customers to make the journey memorable. For example, we provide special baby showers, candlelight dinners before the expected delivery date, exclusive gift hampers for mother and baby as part of our packages. Our centres are thoughtfully designed with vibrance and colour as a reflection of the celebratory nature of the parenthood journey. We also pay particular attention to designing and detailing our wards to provide comfort for our customers during their in-patient stay including spacious wards, and ensuring convenience for expectant mothers during their time with us.

The parenthood journey is managed carefully through comprehensive care of a team of doctors, nutritionists, fertility counsellors, Lamaze experts, and lactation consultants, all coordinated by an exclusive customer relationship executive assigned to the customer. We believe these set us apart from other players in the mother and baby care space, including multi-specialty corporate hospitals that commonly regard maternity as a singular transaction focused solely on delivery. We also identify various customer segments based on their respective socio-economic demographics, personal and family preferences, and specialized requirements, to enable considered choices and tailored customer engagement focused on each mother's unique needs and preferences.

With a conscious recognition of the digital savviness of our customers, we have also developed successful customer mobile applications. These conveniently consolidates important administrative interactions with us such as completion of on-boarding, managing consultation dates, and offers one-stop access to our ancillary services, such as our online community of mothers and subject-matter experts, or shop at an expert-curated e-commerce marketplace for all maternity and child-related products.

Our deep understanding of the requirements and preferences of our customers in their entire perinatal journey has enabled us to provide quality services for the holistic well-being of both mother and baby. Our Customer Lifetime Value<sup>(1)</sup> has increased 10.51% from ₹ 1,44,571 in Fiscal 2019 to ₹ 1,59,673 Fiscal 2021, and was ₹ 1,62,851 in the six months ended September 30, 2021. We believe that this reflects our dedication to and care for their every need, and will enable us to further strengthen our goodwill, brand, reputation and business, translating into higher customer transactions and revenue. We have consistently achieved growth in average realisation per bill, of ₹ 2,995 in the twelve months ended September 30, 2019 to ₹ 3,836 in the twelve months ended September 30, 2021. We have also negotiated arrangements with various insurance providers to offer insurance coverage for our customers.

(1) Customer Lifetime Value implies valuing the journey of mother starting from fertility services, pregnancy, delivering child and providing paediatric services to the child. The journey includes only those mothers who have delivered at any Cloudnine centre.

### **Clinical excellence and advanced medical technologies to deliver quality healthcare**

We attribute our success to our constant focus on clinical excellence by inculcating a culture of continuous quality improvement across all areas and focussing on the safety of the expectant mother and baby. We deliver clinical excellence at scale and we achieve this through a combination of top clinical talent, strong clinical protocols and advanced medical technology.

Our focus on quality is evidenced by the quality accreditations that our centres have obtained from various reputed Indian agencies, including accreditations from NABH and NNF. In 2009, we collaborated with an Australian embryology expert to develop clinical excellence in our centres. These measures have resulted in our (i) low neonatal mortality rate<sup>(1)</sup> at 0.56% in the seven months ended October 2021 (compared to the average of 22.7% in India and 17.5% globally in 2019 (*Source: CRISIL Report*)); and (ii) low maternal mortality rate<sup>(2)</sup> at 8.7 deaths per 100,000 live births in the seven months ended October 2021 (compared to the average of 145 deaths per 100,000 births in India and 211 deaths per 100,000 births globally in 2017 (*Source: CRISIL Report*)).

<sup>(1)</sup> Neonatal mortality rate refers to the percentage of neonatal deaths divided by the total live births in the relevant period.

<sup>(2)</sup> Maternal mortality rate is calculated by maternal deaths divided by the total live births, multiplied by 100,000, in the relevant period.

We have implemented robust medical protocols and perinatal meetings to maintain our clinical excellence and the quality of our care, such as medical practices committees at each of our centres which involves our doctors examining medical incidents of success or failure, improvements to our processes and systems, and exchange

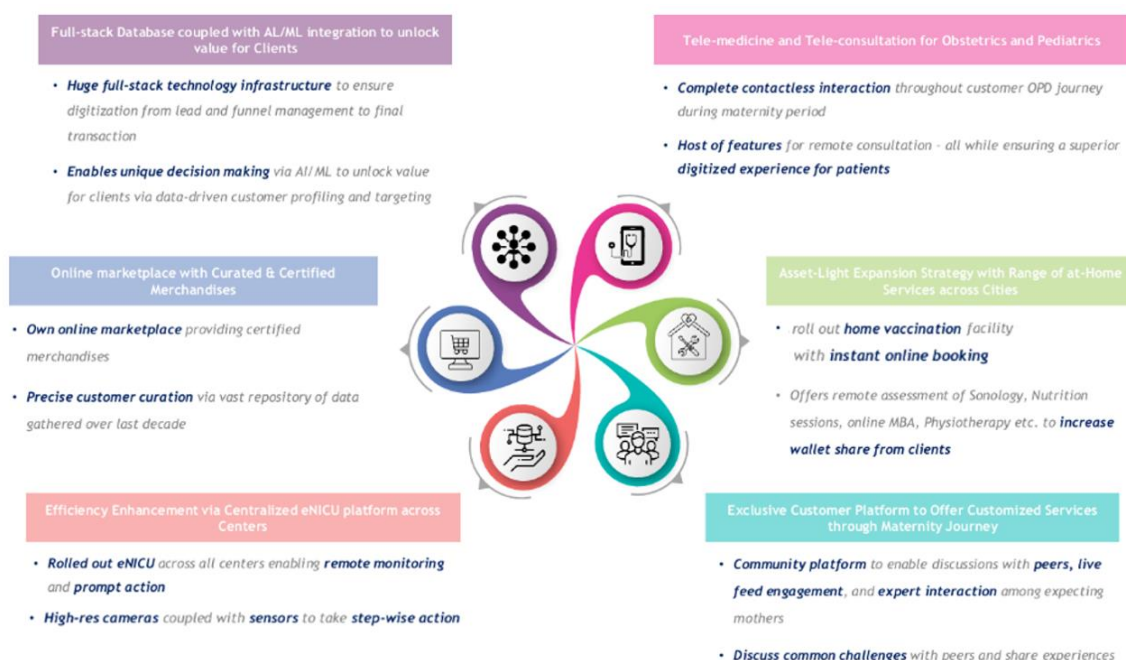
medical insights. We have also been successful in reducing the usage of prophylactic antibiotics for surgeries by implementing our antibiotic policy to reduce the risk of antibiotic prophylaxis resistance in the community. We have controlled the use of unnecessary doses of antibiotics in our standard protocol as per our antibiotic policy.

We continuously invest in medical technology and equipment and modernise our facilities to offer high quality healthcare services to our customers and improve the effectiveness of our fertility treatments. We have received NABH accreditation, and as of the date of this Draft Red Herring Prospectus, 11 out of 23 of our centres are fully accredited, and we have applied for the accreditation of five other centres. As of the date of this Draft Red Herring Prospectus, six out of 23 of our centres are accredited by the NNF. Our consultation triage feature provides stage-based questionnaires completed by mothers before the consultation to provide our doctors with ample opportunity to review the medical history, allergies, and symptoms of the mother, and prepare for the consultation.

We have partnered with international medical universities on clinical research. We are the only healthcare facility chain in India which is a part of the Vermont Oxford Network (VON) which has established a global data base of approximately 1,200 centres regarding the quality, utilization, costs, outcomes and effectiveness of medical treatments and health care practices, and allows us to include our data for analysis at the individual hospital level, review the aggregated data for our centres and compare the individual centre data with aggregated data for our centres. We strive to consistently offer the best experience for our customers through both our medical staff and facility capabilities and believe that our proven clinical excellence will continue to drive our growth and expansion into new markets. We are also actively involved in clinical research activities. As of the date of this Draft Red Herring Prospectus, our doctors have published several clinical research papers in reputed international journals including the European Journal of Human Genetics and Acta Paediatrica as well as several respected Indian medical journals.

### Integrated digital ecosystem and proprietary technology stack for customers, doctors and staff

Our sophisticated digital capabilities allow us to offer a seamless modern omni-channel experience for both our millennial customers and doctors using our proprietary applications, leading to paperless, efficient and effective communication.



We have implemented various digital solutions to upgrade our clinical capabilities, such as the e-NICU, which allows doctors to remotely monitor infants using high-resolution cameras and access live data from the critical care equipment, enabling our neonatology experts to provide guidance and expertise on events in the NICU and supervise immediate intervention by our teams onsite. We have also adopted digital transformation by introducing certain clinical services such as tele-ultrasound, nutrition and physiotherapy sessions, and parenthood lessons on to virtual modes of delivery to increase our wallet share from customers who otherwise would not have opted for these services if they were conducted in-person. Our digital solutions allow for asset-light expansion by enhancing existing clinical capabilities to offer a greater range of services to a wider customer base.

By leveraging our sophisticated proprietary technology stack, we have developed in-house an integrated digital ecosystem that seamlessly connects our customers, doctors and staff for increased administrative efficiency, greater quality of care and enhanced customer experience. We have developed respective applications for customers and doctors that allow customers and doctors to schedule and track physical or virtual appointments and consultation, upload and access past medical records, ultrasound scans and laboratory reports, prescribe medicine from the formulary or view the prescribed medication. In particular, our proprietary application for doctors integrates aspects of AI and ML by presenting data from past consultations and medical data uploaded by the customer in an easy-to-read format, and automatically providing the doctor with a condensed list of options to prescribe laboratory investigations, ultra-sound scans, and medicines per our clinical practice standards. Usage of this application ensures that the necessary data to maximise share in the clinical wallet is fully available to the care management team. This improves patient safety, standardized care, easy access and data visibility across verticals and completely digitized medical records - thereby eliminating the need for carrying paper records.

We operate a full-stack database infrastructure bolstered by AI and ML, to ensure digitization from lead and funnel management to final transactions among various players in the customer journey. Data-driven analytical insights also allow for customer profiling and segmentation for bespoke and effective engagement. As of September 30, 2021, we have served more than 768,770 individual customers and host their data on our database infrastructure. We also leverage our extensive database to understand the wallet share of customers, the capital efficiency of each centre and average revenue per centre.

To increase customer engagement, we have launched *Momeaze*, an expert-curated ecommerce marketplace for all maternity and child-related products. As of September 30, 2021, the platform hosted over 2,240 products and in the six months ended September 30, 2021, we recorded on an average 39,000 sessions per month. Our e-commerce platform has generally grown through customer cross-selling, and its customer base has been gradually developed involving negligible customer acquisition costs. Through data analytics, we are able to recommend credible products that address specific needs of each customer, thereby generating increased sales and revenue. Our various digital initiatives have also focused on customer relationship management and marketing our brand. We also manage the *cloudninemamas.com* platform, accessible from our customer mobile application, where members can receive mother-to-mother support and experts-to-mother guidance. This platform had 23,154 registered users as of September 30, 2021, and we believe that the platform helps us to grow our brand effectively through a digital reach in a cost-efficient manner.

### **Ability to attract, train and retain high-quality doctors and staff**

We are able to attract doctors and clinicians to optimally match the needs of our centres as we offer invaluable clinical experience, attractive financial remuneration, and an enabling environment that empowers the practice and careers of our doctors. As at September 30, 2021, we had a team of 1,480 medical professionals, including 196 junior doctors and 1,284 nurses. Doctors and paediatricians recruited by us are typically qualified MDs and qualified PCH.

We have built long-term relationships with our doctors and other medical and non-medical professionals. As a single-specialty hospital, we are able to maintain core alignment amongst our teams unlike the hierarchical management in multi-specialty medical facilities, which enable our doctors to actively participate in management and strategic initiatives. Our centres therefore offer an attractive work environment, leading to high retention rates and strong relationships with our doctors. The attractiveness of our proposition is evidenced by our low attrition rate for our full-time consultants, which was 3.64%, 5.14%, 4.66% and 1.91% in Fiscal 2019, 2020 and 2021, and in the six months ended September 30, 2021, respectively. The total number of our full-time consultants has grown from 165 as of March 31, 2019 to 193 as of March 31, 2021, and increased to 209 as of September 30, 2021.

We believe that as we attract top talent in their respective sub-specialisations, the association between the top doctors in the field and our brand will strengthen, which benefits our doctors' reputation and profiles, and attracts other talented professionals. With this cyclical effect, we believe that our ability to effectively attract, train and retain doctors and clinicians will continue to support our robust pipeline of new centres and grow our reputation in the mother and baby care space.

### **Scalable model and disciplined approach for growth**

We have developed a standardized, highly scalable and capital efficient expansion model that we believe will support significant continued growth. We have evolved our execution capabilities in the establishment of new centres, reflected by our improvements in breakeven and payback periods. We have successfully reduced new centre set-up costs by 39.30% between Fiscal 2015 to 2020 and Fiscal 2021 to 2022 with a faster path to

profitability for new centres. We have also improved capital expenditure efficiency over the years as we have learnt from our prior successes in setting up new centres. The table below sets forth, as of September 30, 2021, certain parameters relating to our mature centres (i.e. centres operating for at least 36 months) and new centres (i.e. centres operating less than 36 months):

	Mature Centres as of September 30, 2021 <sup>(1)</sup>	New Centres as of September 30, 2021 <sup>(2)</sup>
Average breakeven period <sup>(3)</sup>	20 months	9 months
Average ROCE <sup>(4)</sup>	10.05%	N.A.
Average capital expenditure per centre <sup>(5)</sup> (₹ million)	247.37	139.52
Average revenue from operations per centre <sup>(6)</sup> (₹ million)	241.79	59.82
Average capital expenditure per sq. ft. <sup>(7)</sup> (₹ million)	5,857.11	3,614.67

Note:

<sup>(1)</sup> Mature centres are defined as centres which have operated for at least 36 months as of the relevant date.

<sup>(2)</sup> New centres are defined as centres which have operated for less than 36 months as of the relevant date. It excludes centres opened after September 30, 2021.

<sup>(3)</sup> Average breakeven period is defined as the average of breakeven month for the centres. Breakeven is defined as number of months from the opening of new centre till 1st month of positive EBITDA.

<sup>(4)</sup> Average ROCE of centres is calculated as EBIT of centres divided by capital employed of centres. Return on Capital Employed (RoCE) of Centres - RoCE of the centres refers to Earnings Before Interest & Tax (EBIT) of the centres divided by Capital Employed of the centres. EBIT of the centres is calculated by considering revenue of centres less expenses of centre, allocated expenses of corporate, depreciation of Property Plant and Equipment of centre (expense of centre excludes finance costs and tax expense). Capital employed of the centres is calculated as sum of Security Deposit of centres, Net block of Property Plant and Equipment and other Intangible assets of centres, allocated working capital (current assets - current liabilities excluding current lease liabilities) and other allocated assets.

<sup>(5)</sup> Average capital expenditure per centre is calculated as the average of capital expenditure of centres incurred till 1 year from the date of opening of centre.

<sup>(6)</sup> Average revenue from operations per centre is calculated as the average of centre revenue for the relevant period.

<sup>(7)</sup> Average capital expenditure per sq. ft. is calculated as initial capex incurred on centres by the area of the centres.

Note: Ratios for the six months period ended September 30, 2021 have not been annualised.

Note: The above figures relate to our centre operations and does not include information from our COVID-19 vaccine business.

The table below sets forth, as of September 30, 2021, our average capital expenditure and average costs per square feet based on the vintage of our centres.

Fiscal in which Centre opened	Average Capital Expenditure per Centre	Average cost per square feet
2008	140.68	3,006.89
2010-2014	291.18	6,905.71
2015-2019	249.10	5,954.74
2021-2022	139.52	3,614.67

Our 23 centres including our registered office, 37 hostels and one corporate office are located in premises that are either under leave and license agreements or leased from third parties and one of our centre located in Malleswaram, Bengaluru is a joint-development project and therefore party owned by us. We generally enter into long-term fixed rate lease arrangements to manage future cost vulnerabilities from rent increases. During the COVID-19 pandemic, we capitalized on the low property demand by re-negotiating favourable lease agreements and identified several sustainable strategic expansion opportunities to reduce capital expenditure. For instance, we target warm shells such as hotels to open our new centres with minimal modifications and commence operations swiftly.

We have undertaken various initiatives to reduce our capital expenditure as well as operating costs. Our EBITDA increased from ₹ 331.45 million in Fiscal 2019 to ₹ 804.58 million in Fiscal 2021. Our restated loss before tax decreased from ₹ 746.79 million in Fiscal 2019, to ₹ 344.15 million in Fiscal 2021, and by 46.99% from ₹ 182.63 million in the six months ended September 30, 2020 to ₹ 96.81 million in the six months ended September 30, 2021. Our restated loss after tax also decreased from ₹ 654.73 million in Fiscal 2019, to ₹ 347.08 million in Fiscal 2021, and by 46.11% from ₹ 182.96 million in the six months ended September 30, 2020 to ₹ 98.59 million in the six months ended September 30, 2021. We have successfully implemented the following:

- **Direct sourcing.** Direct procurement from pharmaceutical companies to improve gross margin as well as consolidation;
- **Exploring supply options.** Widening supply base for medical equipment;

- **Standardising processes.** Standardisation of design elements leading to efficiency in procurement; and
- **Economies of scale.** Developed our centres in clusters in key cities to benefit from cluster economics in terms of leverage, economies of scale, sharing resources and brand and reputation.

In addition, our key marketing and outreach initiatives are online, which allows us to easily increase the scale of our marketing and brand building efforts and expand our customer base. As the leading brand in the super-specialty mother and baby care space in Fiscal 2021, based on the highest revenue and highest number of hospitals across the major cities as of Fiscal 2021 among the super-specialty mother and baby care hospitals (*Source: CRISIL Report*) our strong brand name and greater scale of operations also generate more positive word of mouth from existing customers that automatically benefits our reputation and marketing.

### Stable and robust financial performance with greater predictability

Our business has demonstrated attractive financial performance over the last three Fiscals and successfully weathered the challenges of COVID-19, reflecting the resilience of our business. The following depicts certain information relating to our financial performance in the shown periods.

Key Financial Indicators	As of and for the financial year ended March 31,			As of and for the six months ended September 30, 2020	As of and for the six months ended September 30, 2021
	2019	2020	2021		
Total Income (₹ million)	4,283.72	5,259.92	5,665.65	2,668.43	3,756.19
Revenue from Operations (₹ million)	4,181.82	5,163.04	5,545.86	2,602.60	3,716.47
Restated loss before tax (₹ million)	(746.79)	(363.43)	(344.15)	(182.63)	(96.81)
Operating EBITDA <sup>(1)</sup> (₹ million)	(175.46)	233.39	300.85	112.22	332.83
Operating EBITDA margin <sup>(2)</sup> (%)	(4.20)%	4.52%	5.42%	4.31%	8.96%

Note:

<sup>(1)</sup> Operating EBITDA is calculated as Restated loss after tax plus total tax expense, finance costs and depreciation and amortization expense less Lease Payments, Interest Income on Bank Deposits, Interest Income on other financial assets at amortised cost, Interest Income on income tax refund, Net gain on sale of current investments, Fair value gain on investments at fair value through profit or loss.

<sup>(2)</sup> Operating EBITDA margin is calculated as the percentage of Operating EBITDA divided by revenue from operations.

As of September 30, 2021, our total debt/ equity ratio was 0.33. We also enjoy significant predictability in our cash flows as the revenue-generating aspects of each customer's perinatal journey is predetermined based on the expected delivery date due to our customer journey approach, as opposed to the transactional approach traditionally adopted by other healthcare service providers. We have attained stable financial performance in the various regions in India we operate in. The following table sets forth certain information relating to our financial performance in the periods indicated:

	Mature Centres <sup>(1)</sup>							
	South		North		West		Total	
	Fiscal 2021	Six months ended September 30, 2021	Fiscal 2021	Six months ended September 30, 2021	Fiscal 2021	Six months ended September 30, 2021	Fiscal 2021	Six months ended September 30, 2021
Revenue from centre operations (₹ million)	3,021.15	1,862.09	858.35	851.12	1,036.65	671.84	4,916.15	3,385.04
Gross Margin (%) <sup>(2)</sup>	51.58%	51.55%	47.86%	47.80%	46.86%	46.03%	49.94%	49.51%
Operating EBITDA margin <sup>(3)</sup> (%)	11.67%	14.89%	8.22%	15.39%	(11.42)%	(2.88)%	6.20%	11.49%
ROCE <sup>(4)</sup> (%)	22.25%	23.37%	7.46%	20.52%	(35.13)%	(19.09)%	(0.10)%	10.05%



	All Centres							
	South		North		West		Total	
	Fiscal 2021	Six months ended September 30, 2021	Fiscal 2021	Six months ended September 30, 2021	Fiscal 2021	Six months ended September 30, 2021	Fiscal 2021	Six months ended September 30, 2021
Revenue from centre operations (₹ million)	3,021.15	1,871.84	1,388.19	1,080.66	1,036.65	671.84	5,445.99	3,624.33
Gross Margin (%) <sup>(2)</sup>	51.58%	50.27%	45.87%	45.84%	46.86%	46.03%	49.23%	48.17%
Operating EBITDA margin (%) <sup>(3)</sup>	11.67%	12.15%	3.61%	10.36%	(11.42)%	(2.88)%	5.22%	8.83%
ROCE (%) <sup>(4)</sup>	21.14%	14.53	(4.76)%	8.23%	(35.13)%	(19.09)%	(2.48)%	4.56%

Note:

<sup>(1)</sup> Mature centres are defined as centres which have been operating for at least 36 months of operation as of the respective dates.

<sup>(2)</sup> Gross Margin is defined as revenue from operations less total direct costs, which is the sum of cost of materials consumed, purchase of stock-in-trade, changes in inventory of stock-in-trade, professional fees to consultant doctors, laboratory and radiology expenses and photo expenses.

<sup>(3)</sup> Operating EBITDA Margin for centres - Operating EBITDA Margin for centres is calculated as the percentage of Operating EBITDA of centres divided by revenue from centres. Operating EBITDA for centres is calculated by considering revenue of centre less expenses of centre, allocated expenses of corporate (expense of centre excludes depreciation and amortization, finance costs and tax expense).

<sup>(4)</sup> Return on Capital Employed (RoCE) of Centres - RoCE of the centres refers to Earnings Before Interest & Tax (EBIT) of the centres divided by Capital Employed of the centres. EBIT of the centres is calculated by considering revenue of centres less expenses of centre, allocated expenses of corporate, depreciation of Property Plant and Equipment of centre (expense of centre excludes finance costs and tax expense). Capital employed of the centres is calculated as sum of Security Deposit of centres, Net block of Property Plant and Equipment and other Intangible assets of centres, allocated working capital (current assets - current liabilities excluding current lease liabilities) and other allocated assets.

Note: Ratios for the six months period ended September 30, 2021 and September 30, 2020 have not been annualised.

Note: The above figures relate to our centre operations and does not include lab services.

We implemented swift measures to minimise the impact of COVID-19 on our financial condition and results of operations, manage costs and maintain a liquidity position, including negotiating with landlords for a waiver or reduction in rental fees. We took steps to rationalise marketing costs through scale and adopting increased digital initiatives, and arranged for additional ad-hoc facilities to meet short-term liquidity requirements.

In Fiscal 2019, 2020 and 2021 and in the six months ended September 30, 2021, professional fees to consultant doctors were ₹ 1,367.56 million, ₹ 1,637.32 million, ₹ 1,677.57 million and ₹ 1,012.23 million, respectively, which represented 31.92%, 31.13%, 29.61% and 26.95% of our total income, respectively. Our revenue from operations increased at a CAGR of 15.16% from ₹ 4,181.82 million in Fiscal 2019 to ₹ 5,545.86 million in Fiscal 2021 and was ₹ 3,716.47 million in the six months ended September 30, 2021. Our EBITDA remained positive in Fiscal 2019, Fiscal 2020, Fiscal 2021, in the six months ended September 30, 2020 and in the six months ended September 30, 2021, at ₹ 331.45 million, ₹ 735.34 million, ₹ 804.58 million, ₹ 372.45 million and ₹ 636.18 million. Our restated loss after tax also decreased by 46.11% from ₹ 182.96 million in the six months ended September 30, 2020 to ₹ 98.59 million in the six months ended September 30, 2021. Our two centres that were rolled out in Fiscal 2021 and thereafter were able to meet EBITDA break-even in their twelve and six months of operations respectively, despite COVID-19 restrictions and challenges.

### Experienced management team and marquee investors

We have an experienced and committed senior management team that leverages expertise across diverse industries, including healthcare and retail, which positions us well to capitalize on future growth opportunities and pioneer new ideas and concepts. The members of our executive management team have proven and extensive knowledge of healthcare operations and facility expansion. Additionally, our management has significant experience with multi-state customer-focused operations through involvement in the retail sectors.

Under the guidance of our founders, Dr. R. Kishore Kumar and Rohit M A., our senior management team has been critical in establishing a successful, scalable operating model, consistently generating strong financial results and managing the set-up of new centres and roll-out of new segments. They have also developed proven recruiting and staffing capabilities to identify, hire and retain high-quality doctors. We believe the breadth of management's background and the depth of its expertise will continue to drive our dynamic growth and continued success. Our

Board of Directors also includes a combination of management executives and independent members who bring in significant business expertise including in the areas of healthcare, corporate finance and business strategy.

We have grown our operations with capital infusion from reputed investors such as funds managed or advised by True North Fund V LLP, SCI Growth Investments II and NewQuest Asia Fund IV (Singapore) Pte. Ltd. Our marquee shareholders have assisted us in implementing strong corporate governance standards, capital raising and strategic business advice, which we believe have been critical to the growth of our business.

## **Business Strategies**

With increasing urbanisation (migration of population from rural to urban areas), awareness among the general populace regarding presence and availability of healthcare services for both preventive and curative care is expected to increase. In particular, customer preferences have moved significantly in favour of convenient, affordable and personalised care with a lot of involvement of technology. *(Source: CRISIL Report)*

Rise in per capita income and urbanization changing spending towards aspirational lifestyle which drives demand for experiential value-added services. With the rise in nuclearization of family structures, and changing consumer behaviours, couples are increasing preferring professional services under one roof with dedicated maternity facilities. *(Source: CRISIL Report)*

As a leading brand in the super-speciality mother and baby-care space in Fiscal 2021, based on the highest revenue and highest number of hospitals across the major cities as of Fiscal 2021 among the super-specialty mother and baby care hospitals *(Source: CRISIL Report)* we believe there are significant opportunities for growth. Based on our past successes, we have developed a scalable expansion model that allows us to rapidly grow our operations across various geographies in urban India.

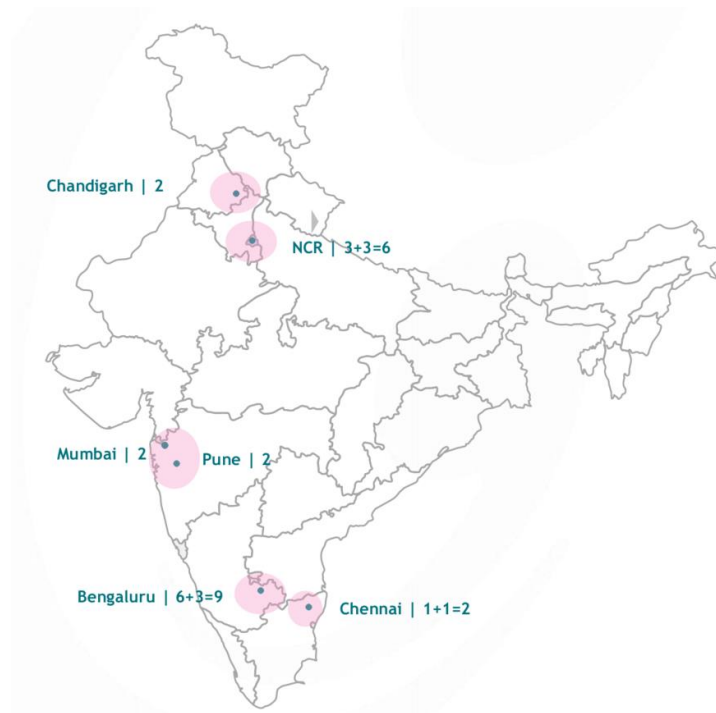
Our business strategies are broadly based on the following foundations:

- **Leveraging our digital prowess.** We continue to make significant investments in developing proprietary technological assets and contemporary digital solutions that enable us to create efficient models for engaging with customers and ensuring consistent high quality standard of care.
- **Fuelled by data.** We continue to strategically use new-age technologies and digital data to provide a bespoke experience for our customers and identify needs in the perinatal journey that can be serviced profitably.
- **Expanding customer lifecycle value.** We aim to maximise the wallet share from each customer and minimise the incurrence of customer acquisition costs.
- **Capital efficiency.** We standardise and optimise our investment and business model to drive capital efficiency at all stages through asset light models that allow for swifter expansion.
- **Proximity and accessibility.** We intend to expand our footprints by setting up centres in close proximity to our potential customer base and increase the accessibility of our service by leveraging our technologies and digital ecosystem.

## **Increase density and grow organically within cities with existing operations and adjoining urban clusters**

We have grown our operations in metropolitan and large cities. The top 50 districts in India have higher share of pregnancies and registered antenatal care indicating a potential market for gynaecological and birthing services. *(Source: CRISIL Report)* With a target of making our centres accessible to expectant mothers, we divide the cities we operate in into viable catchment areas and intend to establish our centres in each such catchment area.

The following chart sets out information relating to our 23 centres across India:



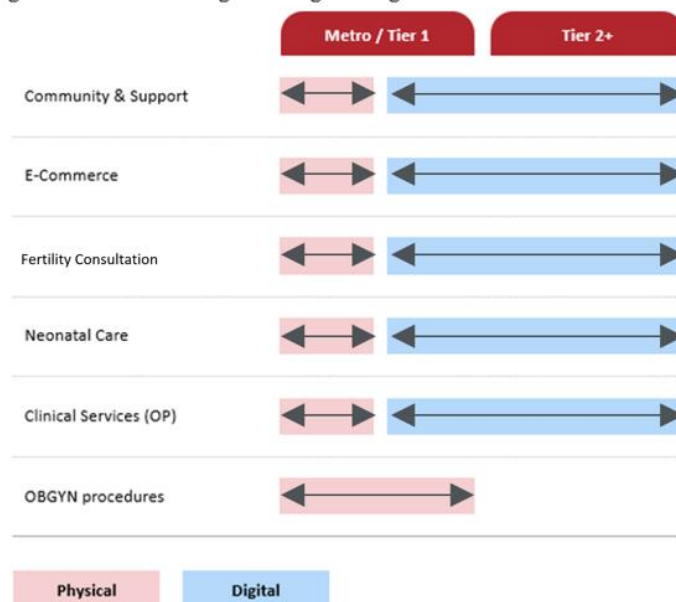
We believe there is a significant opportunity to further increase the density of our centres in our existing markets. Our strong presence in these city clusters demonstrates our clinical leadership and our ability to garner healthy market share and we intend to strategically grow our operations on a cluster-based approach. The Delhi-NCR cluster is the top focus cluster for us in the near future, where we plan to repeat our densification strategy and success achieved in the city of Bengaluru, Karnataka. Once the existing urban clusters have been suitably densified, we intend to implement our longer-term plans of entering new cities. We are continuously evaluating properties at suitable locations and prices for development of new centres. We believe regional density and the cluster approach creates value through leverage in direct contracting, greater brand awareness and other economies of scale.

Following a cluster-based approach, we intend to leverage economies of scale by focussing on setting up additional centres in existing markets, and co-locating our fertility clinics with our mother and baby centres to share resources and marketing synergies, increase internal referrals and leverage our brand for our M&C centres to minimise customer acquisition costs. Our scale, scope and leading market position, combined with our effective site selection and streamlined expansion processes provide us with competitive advantages to continue to expand and consolidate our presence and brand in these markets.

#### **Continue to implement an innovative and asset-light digital approach for expansion**

We intend to continue expanding our presence across India through new centre openings in cities we do not currently operate in by leveraging our core capabilities in site procurement, efficient centre openings and innovative tech-enabled business models which allow us to capitalise on the demand-supply dynamics in such cities. We believe our digital solutions will allow us to overcome geographical barriers to capture the potential market in cities where we do not currently have any centres.

### Digital Services Allowing Catering to Large Potential Addressable Market



- **Roll-out remote NICUs**

The NICU market is expected to grow at a CAGR of 13% between Fiscal 2020 and 2026. (Source: CRISIL Report) Technical advancements to cater to niche areas and emergence of new private players in the NICU market is expected to boost the growth. (Source: CRISIL Report) However, other than in the metropolitan cities, the availability of quality neonatal care in urban India is limited. (Source: CRISIL Report)

Our team includes experienced neonatologists which support our clinical excellence in neonatology, and provides us with the ability to strategically expand into tier 2 and tier 3 cities with our e-NICU model. As of September 30, 2021, we operate a large e-NICU network of over 200 beds with digital interconnectivity. This enables the e-NICUs to remotely draw on the expertise and experience of our pool of qualified neonatologists and nurses, and the guidance and leadership of senior experts in this field. We have rolled out a hub-and-spoke model connecting our medical experts to the high-resolution camera technology for remote monitoring and access to live data from the critical care equipment.

We also intend to enter into agreements with hospitals in cities we do not currently operate in to provide remote NICU services. The first e-NICU outside our Cloudnine network has commenced operations and we plan to enter into more of such arrangements in other locations in tier 2 and tier 3 cities in north India, to cater to the opportunity and demand with our pool of expert neonatologists, quality of care and brand name. Pursuant to such arrangements, the capital expenditure for setting up the NICU is made by the partner hospital, while we operate the NICU with our team or subject-matter experts, implementing our protocols and technology. Without the need to set up physical centres in these cities, we are able to keep capital expenditure to a minimum and utilise existing technologies to reach a wider market. We aspire to capture the potential for the development of our e-NICU network across India as well as in strategic international markets.

- **Adoption of highly asset light “clinic-in-a-box” model by obstetricians and gynaecologists in cities where we are currently not present**

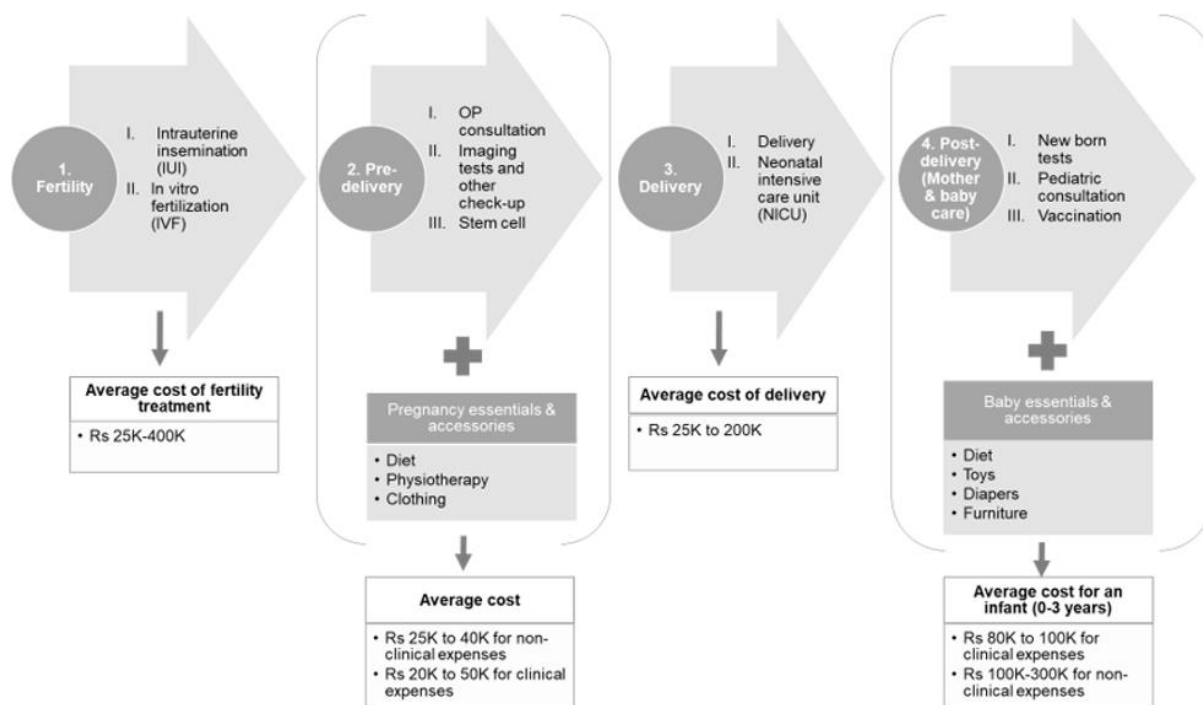
We aspire to introduce our *clinic-in-a-box* technology for adoption by medical professionals in cities and regions where we are unlikely to set up any centres in the future. *Clinic-in-a-box* targets attractive aspects of the pregnancy value chain to meet the demand for digital infrastructure, professional expertise and quality care in a cost-effective and profitable manner, through scalable technologies that have been developed and implemented in our operations.

*Clinic-in-a-box* offers a full suite of services that our customers would ordinarily be able to access and receive from our centres, including remote consultations and subject-matter expert support through tele-ultrasound, mobile application for booking and tracking consultation appointments and tracking, access to advice on postnatal matters such as paediatrics and lactation, and any other service that can be delivered through creative tech-enabled methods.

The potential for widespread growth in this area due to the asset light nature of these arrangements could enable us to capture attractive aspects of the pregnancy value chain without geographical restrictions.

### Continue to maximise share of customer wallet in the entire mother and baby care journey

We continue to focus on delivering end-to-end solutions for our customers through their entire parenthood journey. We continue to expand our service and product offering to capture an increasing wallet share of existing customers. The chart below depicts the total wallet opportunity across the entire journey that includes both clinical and non-clinical services as well as products.



(Source: CRISIL Report)

We will continue to integrate our fertility and maternity services in our expansion plans to provide a comprehensive offering addressing customers' requirements across the entire parenthood journey, from conception to neonatal. Besides our clinical services, we plan to offer ancillary services and products related to the parenthood journey. For example, we currently offer services such as baby showers, postpartum care and guidance for mothers, including breastfeeding conditions.

In addition, we also have an e-commerce store that was launched in 2021, called *Momeaze*, which handles an average traffic of over 39,000 sessions per month as of September 30, 2021. We hope to leverage our existing goodwill, brand and reputation among our customers to further grow our business, with minimal cost of customer acquisition compared to other e-commerce players selling similar products. Our platform is driven by data analytics which effectively identifies and curates recommendations tailored for each customer. We plan to continue improving our range of offerings, maintain the quality and reliability of the products we offer on our platform, and introduce new initiatives. In addition to our generic maternity products on our e-commerce store, we also intend to introduce more specialised products for mothers with specialised needs, such as products for mothers who have difficulties during lactation.

Recognizing the effectiveness of customer engagement through the digital medium and social media, we have created an exclusive online community, *Cloudnine "moms and a million answers (Mamas)"*, which had 23,154 registered users as of September 30, 2021. *Cloudnine Mamas* is a helpful online community for mother-to-mother emotional support and expert-to-mother guidance and advice, for which membership is free. By continuing to improve user experience and features of the online community platform, it could be a potential source of revenue for us by attracting partners or sponsors keen on advertising on that platform. We further anticipate that as we continue to grow our online community and increase the visibility of our centres in our existing markets, these efforts will strengthen our credibility, increase awareness of our brand, and drive customer volume and revenue growth.

## Impact of COVID-19

We continue to be vigilant in terms of enforcing COVID-19 preventive measures (e.g., mandatory masking, hand washing and distancing) as well as ensuring appropriate testing and infection control and containment practices. In response to the crisis, we also created isolation facilities, established operating procedures on screening of mothers, admission, management as well as strengthened our operating procedures on infection prevention and control, and healthcare worker safety. In addition, we recommended protocols and guidelines on providing treatment, including performing deliveries for expectant mothers and providing care for the infants in our NICUs, during the COVID-19 pandemic, to help ensure the safety of our employees and customers. Furthermore, we leveraged technologies such as telehealth platforms to support work-from-home measures during the government-imposed lockdown by enabling our doctors and support staff to provide video consultations to our customers. We also offered other home services such as home vaccinations for babies, home laboratory sample collections, and doorstep deliveries of pharmaceutical products.

We implemented swift measures to minimise the impact of COVID-19 on our financial condition and results of operations, manage costs and maintain a liquidity position, including negotiating with landlords for a waiver or reduction in rental fees. We took steps to rationalise marketing costs through scale and adopting digital initiatives, and arranged for additional ad-hoc facilities to meet short-term liquidity requirements.

We also paid for the costs of treatment and hospitalisation of our employees and doctors who fell ill due to COVID-19. There was no rationalisation of salaries of any of our employees, and we paid additional hardship allowances in addition to the regular salaries during the first wave of COVID-19. Beyond restructuring a few under-performing contracts in the ordinary course of business, we did not decrease the professional fees of our doctors. In order to provide additional care for our staff, we created a COVID-19 care facility to temporarily house our affected staff. These measures enabled us to retain our employees and further enhanced the trust and relationships with our doctors and employees.

While we performed deliveries during such lockdown periods and our delivery count increased in previous fiscals with more customers switching over to us given the heightened concerns of safety and infection, our customer count in elective gynaecology and fertility decreased during such period. Despite the decrease in our elective procedures such as gynaecological surgeries and fertility treatments during such period, we did not experience any decline in our financial performance in Fiscal 2021 or in the six months ended September 30, 2021; our revenue from operations increased at a CAGR of 15.16% from ₹ 4,181.82 million in Fiscal 2019 to ₹ 5,545.86 million in Fiscal 2021 and was ₹ 3,716.47 million in the six months ended September 30, 2021, while our EBITDA increased at a CAGR of 55.80% from ₹ 331.45 million in Fiscal 2019 to ₹ 804.58 million in Fiscal 2021 and was ₹ 636.18 million in the six months ended September 30, 2021. Our EBITDA remained positive in Fiscal 2019, 2020, 2021, in the six months ended September 30, 2020 and in the six months ended September 30, 2021. Our restated loss after tax also decreased by 46.11% from ₹ 182.96 million in the six months ended September 30, 2020 to ₹ 98.59 million in the six months ended September 30, 2021. Our restated loss before tax decreased from ₹ 746.79 million in Fiscal 2019, to ₹ 344.15 million in Fiscal 2021, and by 46.99% from ₹ 182.63 million in the six months ended September 30, 2020 to ₹ 96.81 million in the six months ended September 30, 2021.

Further, we have accumulated deficit in retained earnings in as at March 31, 2019, 2020 and 2021, and as at September 30, 2020 and September 30, 2021, of ₹ 2,493.88 million, ₹ 2,579.34 million, ₹ 2,929.71 million, ₹ 2,762.36 million and ₹ 3,029.48 million, respectively. Our management has also estimated our future cash flows with the possible effects that may result from the COVID-19 pandemic and we do not foresee any adverse impact in realising our assets and in meeting our liabilities as and when they fall due. We are in the stabilisation phase and our ability to continue as a going concern is based on establishing profitable operations and obtaining continuing financial support from its investors. We have also taken various cost and profit optimization initiatives in the succeeding period, which will further improve operating cash flows and generate operating profit in the future. Further, we also have unutilised borrowing limit as at March 31, 2019, 2020 and 2021, and as at September 30, 2020 and as at September 30, 2021 of ₹ 204.35 million, ₹ 453.30 million, ₹ 520.31 million, ₹ 472.97 million, and ₹ 684.60 million, respectively.

## OUR SERVICES

### Our Specialities

We offer end-to-end mother and baby care dedicated to the holistic well-being of mother and baby. Our principal specialties include: (i) maternity care; (ii) neonatal care; (iii) paediatrics; (iv) gynaecological care; and (v) fertility.

- **Maternity Care**

We provide inpatient and clinical care to expectant mothers, including full antenatal care, the preferred or medically required delivery option, as well as postnatal care, through our comprehensive team of obstetricians and other clinicians, such as neonatologists, paediatricians, radiologists, ultra-sonographers, foetal medicine experts and genetic counsellors. Our subspecialists have education and training for the treatment of high-risk expectant mothers and their foetuses.

- **Fertility**

We offer diagnostic assessments and reproductive health examinations to identify and customize a male or female fertility treatment plan for our customers. Our treatment plans are a versatile amalgamation of various fertility treatments, commonly referred to as assisted reproductive technology (ART). Our more common treatment options include: (i) ovulation induction and cycle monitoring; (ii) intrauterine insemination (IUI); (iii) in vitro fertilisation (IVF); (iv) intracytoplasmic sperm injection (ICSI); and (v) blastocyst transfer. Our treatment portfolio also includes modern technologies such as time lapse embryo monitoring, vitrification, preimplantation genetic screening and diagnosis (PGS and PGD), DNA fragmentation index and laser assisted hatching. Each of our fertility units also hosts an exclusive andrology laboratory that deals with diagnosis of male fertility issues. Some of the key treatments offered to treat male infertility are (i) percutaneous epididymal sperm aspiration (PESA); (ii) testicular sperm aspiration (TESA); (iii) micro testicular sperm extraction (microTESE) and (iv) varicocele surgery.

As gynaecologists are often the first port of call for couples struggling with fertility issues, there is a natural flow of customers from our gynaecologists to fertility specialists. In addition, our fertility units are either co-located or in close proximity to our maternity units to provide end-to-end care for mothers becoming pregnant through ART. This allows fertility specialists to advise and assist customers through the process and seamlessly transfer them to our obstetricians, and allows us to manage high-risk pregnancies arising out of ART.

- **Neonatal Care**

We provide clinical care to babies born prematurely and/or with complications at our NICUs, through our network of neonatal physician subspecialists (“neonatologists”), neonatal nurses and other paediatric clinicians.

Some of our NICUs have been certified as Level-2 and 3 by the National Neonatology Forum and features advanced neonatal equipment. Our incubators and medical infrastructure provide an uplifting ecosystem that is specialised in caring for premature babies or babies born with complications.

As of September 30, 2021, we had 263 neonatologists and 228 neonatal nurses. Our neonatologists have extensive education and training for the care of babies born prematurely or with complications that require complex medical treatment. Our neonatal nurses are registered nurses who have training and education in assessing and treating the healthcare needs of new born and infants. We are able to draw on the collective expertise of our pool of neonatologists and neonatal experts through our remote video monitoring technologies to provide 24-hours-a-day, seven-days-a-week coverage in NICUs to monitor, advise on and provide treatment for our babies. Our neonatal physicians also work collaboratively with other subspecialists to coordinate the care of mothers experiencing complicated pregnancies and their foetuses.

We provide care to new born babies which includes congenital hypothyroidism screening cystic fibrosis, hearing screening and critical congenital heart disease screening. Having acquired a 51.00% shareholding in Acquity Labs, we helped Acquity Labs build its expertise in new born screening, allowing us to insource all new born screening. As of the date of this Draft Red Herring Prospectus, Acquity Labs provides these tests not only to Cloudnine but also to other hospitals as well. Further, we propose to acquire additional 49.00% shareholding in Acquity Labs, from the proceeds of the Fresh Issue in the Offer. For details, see “*Objects of the Offer - Acquisition of shareholding in our Subsidiary, Acquity Labs*” on page 108.

- **Paediatrics**

We offer paediatric outpatient and inpatient care for toddlers in all our hospitals. Our highly qualified paediatricians provide general paediatric care and also collaborate with paediatric subspecialists to ensure comprehensive care.

- **Gynaecological Care**

We provide care for women addressing conditions in the areas of adolescence, menstrual cycles, contraception, vaginal health, pre-marital counselling, early pregnancy, sexual health, breast care, hysterectomy, and other gynaecological issues.

- **Anaesthesiology**

Our anaesthesia team works closely with the obstetricians during labour. We use medical modalities such as epidural analgesia and inhaled nitrous oxide to provide safe and painless normal deliveries as well as C-sections.

- **Diagnostic Services**

We offer (i) laboratory service providing 24/7 biochemistry, pathology, microbiology and genetic screening and confirmatory services; (ii) imaging service equipped with ultrasound, x ray and echo machines to provide 24/7 scanning and precision imaging services operated by trained radiologists; (iii) foetal medicine service led by qualified and experienced doctors. As of September 30, 2021, we employ 24 foetal medicine specialists across our network.

- **Stem Cell Service**

We host our own stem cell service brand called Cryonine where we avail services from a storage service providers to offer stem cell storage through exclusive and community stem cell banking services.

- **Nutrition, Physiotherapy and Lactation**

We offer advice and guidance on nutrition and diet for pregnant mothers, new borns, toddlers and children. Our nutritionists are experienced in the fields of nutrition and diet and their insights help expecting and new mothers follow a healthy and balanced diet plan to stay nourished throughout the pregnancy journey and preparing mothers for their labour. Our nutritionists also assist first-time mothers with the nutrition to help with lactation and first feed for the new born. We also provide a special programme called 'Starting Solids' for babies starting with solid food for the first time that makes available to mothers information on this transition and the all-round wellness of the mother and baby.

Our certified lactation consultants provide hands-on and online help with appropriate techniques for our customers right from the antenatal period till well after child birth to promote exclusive breastfeeding. Our qualified physiotherapists help our pregnant mothers with techniques including yoga, Lamaze and exercises to help customers with labour, childbirth and the postnatal period. The physiotherapists work closely with our developmental paediatricians to provide comprehensive care for children with developmental delays. They also provide care to gynaecology, fertility, neonatal and paediatric customers.

### **Ancillary Services**

- **Special occasions planning**

We provide planning and organisation of special events for our customers during their perinatal journey, such as special baby showers, candlelight dinners before the expected delivery date, and exclusive gift hampers for mother and baby as part of our packages offered to our customers.

- **Educational services**

We also offer unique educational services for our customers to prepare them for parenthood and provide guidance on caring for their child. We provide online pedagogic preparatory courses that educate parents on matters such as breastfeeding and starting solid food.

- **Lamaze and yoga**

We provide Lamaze and yoga sessions through online and in-person mediums, taught by Lamaze experts and certified yoga instructors engaged by us.



- **Ecommerce solutions**

We also have an ecommerce store that was launched on 2021, called *Momeaze*, which offers products for mothers, new born and toddlers, including pregnancy wear and related products, baby apparel and diapers, baby food, mother and baby bath and skin products, breast pumps and other feeding essentials, toys, and nursery gear such as trollers, cradles and car seats. Our assortment of products is carefully curated by our subject-matter experts, and supplied directly by the brands themselves. As of September 30, 2021, we offered over 2,240 products on the platform and for in six months ended September 30, 2021, we recorded an average of 39,000 sessions onto our site per month.

## OUR CENTRES

We operate and manage a network of 23 centres across six states and one union territory in India. Most of our centres provide a comprehensive range of mother and baby care services, including diagnostic and laboratory services, and imaging, as well as new born intensive care units. Our fertility clinics are located within or in proximity to the mother and baby care centres to provide a comprehensive service offering for mothers.

Set forth below is a table that sets out the location of our centres across India as of the date of this Draft Red Herring Prospectus:

	Location	Date of Hospital Registration
<b>Bengaluru</b>	Old Airport Road	February 6, 2012
	Jayanagar	August 2, 2010
	Malleshwaram	June 8, 2012
	HRBR	January 8, 2018
	Whitefield	January 22, 2015
	Bellandur	September 17, 2016
	Kanakpura	May 8, 2021
	Sahkarnagar	September 29, 2021
	Electronic City	September 29, 2021
<b>New Delhi</b>	East Delhi	September 1, 2021
	Punjabi Bagh	December 2, 2021
<b>Noida</b>	Noida	July 16, 2018
<b>Faridabad</b>	Faridabad	November 30, 2021*
<b>Gurugram</b>	Sector 47	July 18, 2016
	Sector 14	August 29, 2019
<b>Chandigarh</b>	Chandigarh	July 9, 2018
	Panchkula	April 23, 2021
<b>Chennai</b>	T-Nagar	April 4, 2017
	Old Mahabalipuram Road	November 18, 2021
<b>Mumbai</b>	Malad	September 18, 2015
	Vashi	October 23, 2017
<b>Pune</b>	Shivajinagar	August 25, 2015
	Kalyaninagar	July 13, 2016

\*Note: Centres typically commence its business operations within a few months from the date of hospital registration.

We are continually evaluating opportunities to set up new centres at suitable locations, and seeking to streamline the expansion process with each new centre. Our cluster model allows us to saturate target markets efficiently, optimize our capital outflow, increase accessibility to our customers, and lower the breakeven time of new centres.

The following table reflects the relative performance, as of September 30, 2021 of our mature centres (i.e. centres that were operational for more than 36 months as of the relevant date):

Centre(s)	Average Operating EBITDA <sup>(2)</sup> (₹ million)		ROCE <sup>(3)</sup> (%)	
	Fiscal 2021	For the six months ended September 30, 2021	Fiscal 2021	For the six months ended September 30, 2021
<b>Mature Centres<sup>(1)</sup></b>	23.44	27.78	(0.10)%	10.05%

Note:

<sup>(1)</sup> Mature centres are defined as centres which have operated for at least 36 months as of the respective dates.

<sup>(2)</sup> Average Operating EBITDA is calculated as the average of Operating EBITDA of the mature centres.

<sup>(3)</sup> Return on Capital Employed (RoCE) of Centres - RoCE of the centres refers to Earnings Before Interest & Tax (EBIT) of the centres

divided by Capital Employed of the centres. EBIT of the centres is calculated by considering revenue of centres less expenses of centre, allocated expenses of corporate, depreciation of Property Plant and Equipment of centre (expense of centre excludes finance costs and tax expense). Capital employed of the centres is calculated as sum of Security Deposit of centres, Net block of Property Plant and Equipment and other Intangible assets of centres, allocated working capital (current assets - current liabilities excluding current lease liabilities) and other allocated assets.

We also propose to utilise a portion of the Net Proceeds i.e., ₹ 1,179.00 million, towards funding roll out and of setting up of seven centres over the next few years. For details, see “Objects of the Offer – Setting up of new centres at various locations” on page 103.

## BUSINESS OPERATIONS

### Relationships with Customers

We believe in offering a bespoke and personalised experience for each of our customers, in line with our motto #WeKnowMoms. Customer preference have shifted towards convenient, affordable and personalised treatments with a lot of involvement of technology, which has resulted in the growth of mobile health and increased use of health-tracking applications. (Source: CRISIL Report) We have therefore developed a customer mobile application as a convenient and comprehensive platform for our customers to track and manage their entire parenthood journey, such as booking video consultations, shopping at our ecommerce store and accessing their medical records.

We also identify and target various customer segments based on their respective socio-economic demographics, personal and family preferences, and specialized requirements, to enable considered choices focused on mother and baby health and wellbeing. We rely on data-driven analytical insights that enable effective customer profiling and segmentation for bespoke and effective engagement. We endeavour to provide a differentiated approach to each mother, taking into account their individualities, needs and preferences, depending on various factors including whether it was their first pregnancy, their occupation, lifestyle and family background.

We offer educational content and pedagogic preparatory courses for our customers to educate and prepare them for their parenthood journey and assuage them of their anxieties. We provide 24x7 support hotlines where our customers in need of emergency assistance are guided by a qualified nurse, and host a medically moderated community platform, *cloudninemamas.com*, that enables discussions with peers, live feed engagement, and subject-matter expert interaction among expecting mothers. As of September 30, 2021, we had 23,154 registered users, with over 4,000 monthly active users in Fiscal 2021, with 89 doctors and subject-matter experts (nutritionists, lactationists, physiotherapists) involved in answering questions from our customers on our *cloudninemamas.com* platform.

### Payment Arrangements

We receive payments primarily in cash from customers on a fee-for-service, self-pay basis under which we charge the patient for the total cost of care. We also receive payments from third party administrators which are intermediary companies between the insurance provider and the policyholder. The table below sets forth certain information relating to various payment arrangements:

Method of Payment	Fiscal 2019		Fiscal 2020		Fiscal 2021		For the six months ended September 30, 2020		For the six months ended September 30, 2021	
	Amount (₹ million)	% of revenue from customer s*	Amount (₹ million)	% of revenue from customer s*	Amount (₹ million)	% of revenue from customer s*	Amount (₹ million)	% of revenue from customer s*	Amount (₹ million)	% of revenue from customer s*
Non-Insurance/ Cash	3,505.06	84.34%	4,274.53	83.39%	4,560.48	83.74%	2,143.55	83.07%	3,073.46	84.80%
Insurance <sup>(1)</sup>	650.77	15.66%	851.41	16.61%	885.51	16.26%	436.93	16.93%	550.87	15.20%
<b>Revenue from Centre Operations</b>	<b>4,155.83</b>	<b>100.00%</b>	<b>5,125.94</b>	<b>100.00%</b>	<b>5,445.99</b>	<b>100.00%</b>	<b>2,580.48</b>	<b>100.00%</b>	<b>3,624.33</b>	<b>100.00%</b>

<sup>(1)</sup> Includes payment on account of Third Party Administrators and Corporate

\* Calculated based on revenue from centre operations which excludes revenue from COVID-19 vaccines and lab services.

### Relationship with Healthcare Professionals

Our medical professionals are candidates recommended by external agencies or through internal channels, and are selected through a recruitment process based on various criteria including educational background, clinical experience professional traits.

We typically enter into professional service contracts with our doctors, which entitles them to a structured pay-out depending on the nature of service rendered or a share of the revenue collected from the customer. Some of the doctors have a minimum guarantee which is a base value payable irrespective of the actual computed earnings. We also have doctors on retainers which entitles them to a monthly fixed remuneration. These contracts are reviewed on a regular basis and renewed on the basis of the performance of the relevant doctor. Employee benefits expense and professional fees to consultant doctors was ₹ 1,121.58 million and ₹ 1,677.57 million in Fiscal 2021, respectively, and ₹ 647.86 million and ₹ 1,012.23 million in the six months ended September 30, 2021, respectively. They form the largest components of our direct expenses and cumulatively represented 46.58% and 43.09% of our total expenses in Fiscal 2021 and in the six months ended September 30, 2021.

We also have in place a structured program of career development for young doctors who commence work with us as associates, with opportunities to practice independently and establish themselves under our brand as leading clinicians. Since the initiation of our structured program, several young doctors have benefited from this program, and some of them have gone on to lead our clinical practice. Our centres offer an attractive work environment that leads to high retention rates and strong relationships with our doctors. The attrition rate of our full-time consultants has remained relatively low, at 3.64%, 5.14%, 4.66% and 1.91% in Fiscal 2019, 2020 and 2021, and in the six months ended September 30, 2021, respectively.

We attach critical importance to the retention of healthcare professionals at all levels, and we attempt to enhance performance through initiatives such as performance-linked to rewards, a transparent and consultative review process. We believe that we have been able to control attrition rates by conducting employee surveys, implementing competitive compensation and benefit measures and developing appropriate training and skill enhancement programmes.

### **Supply Chain Management**

We have developed a dependable supply chain for medical equipment, medical supplies and medication to ensure that we have sufficient inventory and equipment to provide quality services in a seamless manner and accommodate changes in demand for our services to ensure efficient capital expenditure.

We have a dedicated purchase department which undertakes centralized purchase of our key supplies (including medicines) and equipment for our centres. Our purchase department approves our vendors by considering various factors including resources and price. For medical equipment, the technical committee evaluates technical aspects of the equipment and the purchase department evaluates quotations on commercial terms. The purchase of medical equipment is thereafter undertaken after due internal approval process.

We have focused on standardizing medical and other consumables used across centres in our network, which allows us to optimize our supplier network and reduce our procurement costs. We have also implemented simplified usage guidelines for medical and other consumables across different medical procedures and business segments. We seek to maintain high service standards by sourcing most of our medical and non-medical supplies and equipment, a wide range of suppliers with reputations for high quality products. Our suppliers are selected based on quality, price, financial soundness, service levels and delivery capability, and we accord approval for such purchase in consultation with the relevant medical departments. Our supplies of most medicines and consumables are obtained locally. We have also maintained strategic relationships with global and domestic pharmaceutical companies and we obtain most of our vaccines as direct supply from these companies instead of a distributor.

### **Digital Ecosystem**

We have been focused on creating a digital ecosystem including a full suite of distinctive and dedicated digital healthcare service offerings for mother and baby care. We introduced various technology-enabled solutions that we believe will improve the efficiency of the daily work of our doctors and the quality of care provided to our customers, such as e-NICU and *clinic-in-a-box*.

- **E-NICU**

Our e-NICU network runs on three elements: (i). a well-equipped NICU digital connected to a command centre; (ii) a software that analyses data on the baby's vitals, medications, laboratory works, scans and medical records that triggers care protocols; (iii) a high-resolution camera system that allows doctors to remotely monitor and access live data from the critical care equipment. The network provides digital interconnectivity across centres to allow for remote monitoring and prompt action. As of September 30, 2021, we operate a large e-NICU network

of over 200 beds with digital interconnectivity.

The system has detailed protocols drawn up by our neonatology team of subject-matter experts, which trigger relevant intervention action for the most commonly occurring events in the NICU. We presently have 24 protocols in place at the e-NICU.

We also intend to enter into partnerships with hospitals in cities we do not currently operate in to provide remote NICU services. Our first e-NICU outside our own centre network has commenced operations and as of this Draft Red Herring Prospectus, we are exploring into similar arrangements in six additional locations in tier 2 and tier 3 cities in north India. Under the terms of such arrangements, capital expenditure for setting up the NICU is made by the partner hospital, while we operate the NICU with our team or subject-matter experts, implementing our protocols and technology.

- **Clinic-in-a-Box**

We have developed a unique suite of applications for doctors on mobile devices, which targets attractive aspects of the pregnancy value chain to meet the demand for digital infrastructure, professional expertise and quality care in a cost-effective and profitable way through scalable technologies that have been developed and implemented in our operations.

*Clinic-in-a-box* offers a full suite of services that our customers would ordinarily be able to access and receive from our centres. Key features in these applications enable our doctors to: (i) track physical or virtual appointments and consultation made by customers; (ii) conduct out-patient consultations physically or virtually using our proprietary prescription application; (iii) gain consolidated access to past medical records (including those uploaded by the customer) such as ultrasound scans, laboratory records and other relevant medical information presented in an easy-to-read format; (iv) automatically receive a condensed list of options to prescribe laboratory investigations, ultra-sound scans, and medicines per our clinical practice standards; and (v) seamlessly prescribe medication from the formulary based on AI and ML.

We plan to introduce this technology for adoption by non-Cloudnine medical professionals, especially those in cities and regions where we are unlikely to set up any centres in the future. In our arrangements with such medical professionals, we will generally provide mobile devices, printers and software for appointment scheduling, records management, payments and billings, which lead to enhanced productivity and customer relationship management.

- **Remote Sonology**

We offer remote sonology assessments by installing the necessary software and hardware in sonology centres to provide real time remote ultrasound support for our customers. This service was greatly relied on during the pandemic to support our sonologists with remote foetal medicine expertise.

- **Other Solutions**

We have also onboarded certain clinical services such as nutrition and physiotherapy sessions, and parenthood lessons onto virtual modes of delivery to increase our wallet share from customers who otherwise would not have opted for these services if they were conducted in-person.

- **IT Systems and Cybersecurity**

We have developed an integrated IT system to ensure seamless support for our healthcare professionals and administrative staff. Our customer records are maintained in electronic form on our integrated enterprise resource planning and front-end point-of-sale system across our various centres for swift and seamless access to records. Further, records are stored on a digital analytics cloud database that allows for a consolidated view of a customer's entire journey. Our large repository of data is analysed through AI and ML for insights on customer behaviour, demands and needs. These support our data-driven customer profiling, engagement channels, and curation of ecommerce products.

We store customer medical information at data centres that employ monitored security systems. We have a firewall system to protect our customer records, servers and data networks. Our data centres are primarily cloud based and located in AWS (amazon web services) where the data is virtually monitored. In addition to cloud data centres, we use physical data centres monitored by our internal team. We have internal policies and processes that require our employees to maintain the confidentiality of our clients' medical information. No external or unauthorized access to data in our network is allowed. Authorization of access is granted only through our approval process.

All the data on our servers are periodically backed up to prevent loss of data, and we properly store our backup data at an offsite location to be used in case of any disasters.

For further information, please also see “*Risk Factors – Risks Relating to the Business of the Company – We could be exposed to risks relating to the handling of personal information, including medical data.*” and “*Risk Factors – Risks Relating to the Business of the Company – Our operations could be impaired by failure of our in-house information technology systems or third-party technology service providers.*” on pages 43 and 39, respectively.

## **Marketing and Partnerships**

Our primary source of marketing has always been the positive word of mouth made possible by our satisfied customers. In addition, we have specialised doctors and the access to a combination of experienced clinicians under a single entity has enabled us to attract prospective customers.

We follow a digital-first approach where we use digital as the first medium of interacting with our prospective and existing customers. To engage with prospective customers, we have organic or inbound marketing channels. For example, our website and call centre drive organic traffic as customers reach out to us primarily through these two channels. We also leverage paid marketing channels including various digital mediums such as Facebook, Instagram, Twitter and YouTube. We have also conducted live programs with our doctors, on social media platforms such as Facebook, to spread awareness on the challenges of the perinatal journey and educational sessions on paediatrics and nutrition for infants and children. We have a dedicated team which drives performance marketing campaigns on an ongoing basis through these channels. We also host and participate in various conferences and awareness campaigns. For instance, we launched a breastfeeding campaign in 2020 where experts share the benefits of and supported breastfeeding. We also use offline marketing channels such as radio, outdoor media, newspaper to drive traffic to our call centre and website.

As part of our digital-first approach, we launched our “It’s our baby” (IOB) mobile application, which had over 181,198 downloads on android and iOS as of September 30, 2021. The application is a key digital asset in providing customers with a customized one-on-one experience through the entire journey from fertility to pregnancy. This application also helps us to nudge customers through push notifications, banners and updates to access and consume the entire array of offerings that we have and capture a greater wallet share.

We have also nurtured an online community on *cloudninemamas.com*, a medically moderated community platform that enables discussions with peers, live feed engagement, and subject-matter expert interaction among expecting mothers. As of September 30, 2021, we had 23,154 registered users, with over 4,000 monthly active users in Fiscal 2021, with 89 doctors and subject matter experts (nutritionists, lactationists, physiotherapists) involved in answering questions from our customers on our *cloudninemamas.com* platform. We also permit non-Cloudnine doctors to offer our mobile application as a means of connecting with their customers, which allows us to provide value-added services and use of our facilities to a wider customer base.

## **Clinical Quality Excellence**

We are strongly committed to ensuring quality of care and are accredited by independent bodies such as NABH and NNF, through an extensive process of independent audits and inspections. As of September 30, 2021, 11 out of 23 of our centres were fully accredited, and we have applied for the accreditation for five other centres. As of September 30, 2021, six out of 23 of our centres are accredited by the NNF. We also have an in-house team which ensures the quality of our medical equipment. We have a robust compliance monitoring framework for all our clinical practitioners, thereby ensuring clinical compliance, adherence to treatment protocols, clinical SOPs, performance of process audits, tracking and publishing outcomes. As we strive for continuous improvement, we also established a medical practices committee at each centre which comprises a team of senior doctors who meet regularly to review all complicated cases handled by the centre, and recommend modifications and improvements to the existing processes, if required.

## **Research and Development**

We have placed great emphasis on supporting clinical research and academics. We conduct research and development activities through partnerships with other renowned universities. Since inception our doctors have published several clinical research papers in reputed international journals such as the European Journal of Human Genetics, Acta Paediatrica and many other reputed Indian medical journals. We are undertaking 12 clinical trials and for some of such trials we have entered into arrangements with institutions and universities.

## Competition

We face intense competition in the mother and baby care space. Some of our key competitors in the super specialty mother and baby care space include Rhea Healthcare Private Limited, Lineage Healthcare Limited and Neonatal care & Research Institute Private Limited. (Source: CRISIL Report)

## Risk Management and Internal Controls

Our risk management system is designed to ensure compliance with legal requirements, industry standards and our internal requirements across all aspects of our business and operations. We conduct internal audits to ensure regulatory compliance and have a risk management system aimed at identifying, analysing, assessing, mitigating, and monitoring risk or potential threats to achieving our strategic and business objectives covering various aspects of our business, including operations, legal, treasury, regulatory, strategic and financial.

## Health, Safety and Environmental

We are subject to extensive health, safety and environmental laws, regulations and government-prescribed operating procedures and environmental technical guidelines which govern our services, processes and facilities. See “*Key Industry Regulations and Policies*” on page 180.

The various laws and regulations applicable to us address, among other things, waste water discharges, the generation, handling, storage, transportation, treatment and disposal of toxic or hazardous bio-medical materials and waste, workplace conditions and employee exposure to such substances.

In compliance with these requirements, we have adopted certain policies to address, among others, the generation, handling, storage, transportation, treatment and safe disposal of toxic bio-medical materials and waste.

## Human Resources

As of March 31, 2019, 2020 and 2021 and September 30, 2021, we had 2,245, 2,539, 2,555 and 2,912 employees and junior doctors on retainer. The table below sets out details of our employees by function for the periods indicated.

	As of	
	March 31, 2021	September 30, 2021
Health Care Staff <sup>(1)</sup>	1,329	1,480
Administrative, Managerial and Support <sup>(2)</sup>	1,226	1,432
<b>Total</b>	<b>2,555</b>	<b>2,912</b>

Note:

(1) on pay-roll and retainer. Includes doctors and nurses.

(2) including corporate employees.

## Social Initiatives

We believe in being socially responsible corporate citizens and actively participating in various public welfare activities, and we have founded the Cloudnine Foundation as of April 11, 2019, to focus on various public welfare activities, providing relief or assistance to the under privileged sections of the society, support initiatives post natural calamities, literacy, education, medical healthcare and rehabilitative services to needy people, disseminate knowledge and undertake or institute such action as may be required to create a positive awareness amongst the general public, undertake research, surveys in relation to any social initiatives.

## Corporate Social Responsibility

We have formulated a Corporate Social Responsibility (“CSR”) policy in accordance with the requirements of the Companies Act, 2013 and the rules thereunder. Our Board of Directors has also constituted a CSR Committee, which recommends the amount of expenditure to be incurred on CSR activities and monitors our CSR policy from time to time. For further details on the composition of the CSR Committee, see “*Our Management – Board Committees – Corporate Social Responsibility Committee*” on page 207.

## Intellectual Property

We consider our brand and intellectual property to be a valuable asset and we have certain trademarks registered

in India. We have 82 registered trademarks under the Trademarks Act under various classes such as Class 16, 35, 38, 41, 42, and 44 respectively including our logo . We have six applications pending before the relevant Registrar of Trademarks. We also have a copyright registration for our programme called 'MBA' from the Registrar of Copyrights in accordance with the Copyright Act 1957.

For further details of our trademark applications and opposition proceedings, see “*Government and Other Approvals – Intellectual Property*” on page 326 and “*Risk Factors – Our inability to protect or use our intellectual property rights or comply with intellectual property rights of others may have a material adverse effect on our business and reputation*” on page 39.

## **Insurance**

We maintain insurance policies customary for our industry to cover certain risks, including, among other, money policy, clinical trial policy, fire and special perils insurance, burglary insurance, management liability (directors' and officers' liability) insurance fidelity floaters policy, fire loss of profit policy, fidelity-floater policy, and workmen compensation.

We also carry a professional indemnity policy for breach of medical professional duty under all branches of medicine provided at our centres as well as commercial general liability insurance. We consider our current insurance coverage to be adequate. We are subject to lawsuits, claims and legal actions by customers in the ordinary course of business. For further details, refer to section “*Outstanding Litigation and Material Developments*” and “*Risk Factors – Our insurance coverage may not adequately protect us and this may have an adverse effect on our business and revenues.*” on pages 320 and 42.

## **Properties**

Our Registered Office is located at #1533, 9th Main, 3rd Block, Jayanagar, Bengaluru 560 011, Karnataka, India, on leased premise which is on a long term lease of 10 years. Further, our Corporate Office is located at Indiqube Sigma, No.3/B Koramangala Industrial Layout, 3<sup>rd</sup> Block Koramangala, Bengaluru-560 034 Karnataka which is on a long term lease of nine years and ten months.

Our 23 centres including our registered office, 37 hostels and one corporate office are located in premises that either are under leave and license agreements or leased from third parties, with lease or license terms typically ranging from 11 months to 20 years. Further, our centre located at Malleswaram, Bengaluru, is a joint development project and therefore partly owned by us. We have also entered into various lease deeds and leave and license agreements with third party vendors for our staff and nurses accommodation. We believe that our existing properties are adequate for our current requirements and plans to expand our centres and that additional space can be obtained on commercially reasonable terms to meet our future requirements as they arise.

## KEY REGULATIONS AND POLICIES IN INDIA

*We provide expectant mothers with quality medical expertise, medically-advanced facility infrastructure and a bespoke motherhood journey covering most of their needs. We offer end-to-end coverage of all stages of the parenthood journey, beginning with fertility treatments, through maternity, neonatology and paediatrics, dedicated to the holistic well-being of mother and baby.. 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 relevant laws, regulations and policies in India which are applicable to our operations. The information available in this section has been obtained from publications available in public domain. The description of laws and regulations set out below may not be exhaustive and is only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. While we have included the following regulations, they are only indicative in nature and are subject to change or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions.*

### Industry Specific Legislations

#### ***Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 (“PCNDT Act”) and the Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994 (“PNDT Act”)***

The PCNDT Act and PNDT Act prohibit sex selection, before or after conception, regulate the use of pre-natal diagnostic techniques by restricting their usage for the purposes of detecting genetic or metabolic disorders or chromosomal abnormalities or certain congenital malformations or sex-linked disorders and seek to prevent the misuse of such techniques for the purposes of pre-natal sex determination leading to female foeticide. The PCNDT Act and PNDT Act also make it mandatory for all genetic counselling centres, genetic clinics, genetic laboratories carrying out pre-natal diagnostic techniques, to register with the appropriate authority, failing which penal actions may be taken against them. Hospitals providing pre-natal diagnostic facilities fall within the purview of the PCNDT Act and PNDT Act. Further, the PCNDT Act and PNDT Act prohibit advertisements relating to pre-conception and pre-natal determination of sex and the same is made punishable with a fine and imprisonment.

#### ***Medical Termination of Pregnancy Act, 1971 (“MTP Act”) and the rules thereunder***

The MTP Act regulates the termination of pregnancies by registered medical practitioners and permits termination of pregnancy only on specific grounds. It stipulates that the medical termination of pregnancies can be carried out only in certain stipulated circumstances by a registered medical practitioner who has the necessary qualification, training and experience in performing such termination and only at a place which has facilities that meet the standards specified in the rules and regulations issued under the MTP Act. Failure to comply with the requirements of Section 7 of the MTP Act is punishable with a fine up to one thousand rupees. Under the Medical Termination of Pregnancy Rules, 2003 framed pursuant to the MTP Act, private clinics can receive their authorisation only if the government is satisfied that termination of pregnancies will be done under safe and hygienic conditions, and the clinic has the requisite infrastructure and instruments in place.

#### ***Clinical Establishment (Registration and Regulations Act), 2010 (“Clinical Establishment”)***

This act has been enacted for the registration and regulation of all the clinical establishments in the country with the view to prescribe the minimum standards of facilities provided by them. The act is applicable to all types of clinical establishments and provides for the establishment of a body called national council for clinical establishments to monitor the functioning and registration of clinical establishments.

#### ***Delhi Nursing Home Registration Act, 1953 (“DNHA Act”)***

This act provides for the registration and inspection of nursing homes established in Delhi. The statute provides for the procedure of obtaining registration and imposes penalty in case of non-registration of the nursing homes. Further, it provides for the inspection of the nursing homes wherein the supervising authority can inspect the nursing homes and any records in relation to the same.

#### ***Bombay Nursing Home Registration Act 1949, (“BNHR Act”)***

This act provides for the registration and inspection of nursing homes established in Bombay. The act empowers the health officer of the local supervising authority or civil surgeon of the district to inspect the nursing homes registered under this act. The act further imposes penalty in case of non-registration of the nursing homes.



### ***Karnataka Private Medical Establishments Act, 2007 (“KMPE Act”)***

The act provides for the regulation and control of the private medical establishments in the state of Karnataka by specifying the process of registration, the statutory obligations such as maintenance of clinical records and complying with the standards of quality of services. The statute inter alia imposes a penalty in case of violation of certain provisions such as non-registration or maintenance of clinical records of the activities relating to the patients. Further, an Amendment Bill has been passed in 2020 to amend certain sections of the statute to achieve greater control over the private medical establishments in the state.

### ***Tamil Nadu Clinical Establishment Act, 1997 (“TNCE Act”)***

TNCA Act, regulates and mandates the registration of clinical establishments in the state of Tamil Nadu and imposes penalty in case of contravention of the same. Further, the act provides for certain specialised services and facilities that the clinical establishments need to possess to obtain registration under TNCE Act. It further provides for the establishment of advisory committees both at the state and district level respectively. TNCE Act provides for certain duties and responsibilities that any clinical establishment registered under the act must perform.

### ***Registration of Births and Deaths Act, 1969 (“RBD Act”)***

The RBD Act was enacted to regulate the registration of births and deaths in India. The RBD acts provides for the appointment of Registrar General, India at the apex, Chief Registrar at the state level and District Registrars. The responsibility of the Register General, India inter alia is to issue directions regarding registrations of births and deaths in the territories to which the act extends. Under the RBD Act, the medical officer of a hospital is required to notify births and deaths occurring in the hospital to the Registrar appointed under the RBD Act. If the Registrar refuses to register any birth or death, he may be punishable with a fine under the RBD Act.

### ***Indian Nursing Council Act, 1947 (“Nursing Act”)***

Under the Nursing Act, nurses, midwives or health visitors are required to hold recognised qualifications (provided in the Schedule to the Nursing Act) for enrolment in the state register. Further, states are entitled to establish state councils to regulate the registration of nurses, midwives or health visitors in the relevant state. The Nursing Act also empowers the executive committee of the Indian Nursing Council, constituted under the Nursing Act, to appoint inspectors to inspect any institution which is recognised as a training institution granting any recognised qualification or recognised higher qualification under the Nursing Act.

### ***The Medical Devices Rules, 2017 (“MDR”)***

The MDR makes registration mandatory for all manufacturers and importers of medical devices in India (except for certain exempted medical devices). The MDR have been framed under the Drugs Act. These rules lay down quality requirements to be followed by marketers/ importers/ manufacturers/ sellers of notified medical devices.

### ***National Medical Commission Act, 2019 (“NMC Act”)***

The NMC Act, 2019 provides for, amongst others, a medical education system that improves access to quality and affordable medical education, ensures availability of adequate and high quality medical professionals across the country, encourages medical professionals to adopt latest medical research and enforces high ethical standards in medical service. The National Medical Commission, constituted under the NMC Act, is entrusted with the exercise of powers and functions under the NMC Act, including prescribing policies for quality medical education and assessing healthcare requirements. Further, through the NMC Act, it has also been proposed to hold a common final year undergraduate medical examination, known as the National Exit Test, for granting licences to practise medicine as medical practitioners and for enrolment in the state medical register or the national medical register. No person other than a person who is enrolled in the state or national medical register shall be allowed to practice medicine as a qualified medical practitioner and doing so is punishable with a fine or imprisonment or both.

### ***Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 (“Ethics Regulations”)***

The Ethics Regulations impose a number of requirements on medical practitioners, including good practices, record maintenance requirements, duties to patients, advertising regulations and a framework for punishment and disciplinary action for misconduct and violation of the Ethics Regulations. Oversight and enforcement of the Ethics Regulations have been vested with the relevant Medical Councils. If, upon enquiry, the medical practitioner is found guilty of violating norms prescribed in the Ethics regulations, the appropriate Medical Council may award

such punishment as deemed necessary, including a direction towards removal of such medical practitioner's name from the State and/or Indian Medical Registers, either permanently or for a limited period. Further, the Indian Medical Council (Professional Conduct, Etiquette and Ethics) (Amendment) Regulations, 2020, has enabled the practice of telemedicine, specifying that consultation through telemedicine by registered medical practitioners shall be permissible in accordance with the Telemedicine Practice Guidelines, provided in the appendix to the Ethics Regulations. However, the Ethics Regulations are not an exhaustive code of conduct for medical practitioners. The Indian Medical Council and the State Medical Councils are not precluded by the Ethics Regulations from considering or dealing with any other form of professional misconduct not covered in the Ethics Regulations.

### ***National Ethical Guidelines for Biomedical and Health Research Involving Human Participants, 2017 ("ICMR Code")***

The Indian Council of Medical Research has issued the ICMR Code which envisages that medical and related research using human beings as research participants must only be carried out after due consideration of all alternatives and the use of human participants is considered to be essential for the proposed study. The ICMR Code lays down the requirement of ensuring privacy and confidentiality along with ensuring that such studies are conducted in a transparent and environmentally friendly manner.

As required by the ICMR Code, it is mandatory that all proposals on biomedical research involving human participants should be cleared by an appropriately constituted independent and impartial institutional ethics committee to safeguard the welfare and the rights of the participants. The committee should preferably have seven to 15 persons while maintaining a balance between medical and non-medical/ technical and non-technical members, depending upon the needs of the institution.

These ethics committees are entrusted with the initial review of research proposals prior to their initiation, and also have a continuing responsibility to regularly monitor the approved research to ensure ethical compliance during the conduct of research. Such an on-going review has to be in accordance with the international guidelines wherever applicable and the Standard Operating Procedures of the World Health Organization.

The ICMR Code also provides that the human participants may be paid for the inconvenience and time spent, and should be reimbursed for expenses incurred, in connection with their participation in the research. They may also receive free medical services. During the period of research, if any such participant requires treatment for complaints other than the one being studied necessary, free ancillary care or appropriate treatments may be provided. However, the ethics committee is entrusted to ensure that payments should not be so large or the medical services so extensive as to make a prospective participant's consent readily to enrol in research against their better judgment, which would then be treated as undue inducement.

### ***The Assisted Reproductive Technology (Regulation) Act, 2021 ("ART Act")***

The ART Bill which was introduced in the Lok Sabha on September 14, 2020 has received the assent of the President on December 18, 2021. The ART Act *inter alia* provides for the regulation and supervision of the assisted reproductive technology clinics and the assisted reproductive technology banks. It further provides for the prevention of misuse of assisted reproductive technology services and mandates the registration of every ART clinic or bank with the national registry through the appropriate authority established under the act. Further, the ART Act provides for the punishment including imprisonment in the event any clinic or bank or agent registered under the act issues, publishes, distributes or, communicates any advertisement in any manner including internet, regarding facilities of sex selective assisted reproductive technology.

### ***Safety Code for Medical Diagnostic X-Ray Equipment and Installations, 2001 (the "X-Ray Safety Code")***

The AERB issued the X-Ray Safety Code intended to govern radiation safety in design, installation and operation of X-ray generating equipment for medical diagnostic purposes. The X-Ray Safety Code stipulates that all medical X-ray machines are required to be operated in accordance with the requirements stipulated therein and that it is the responsibility of the owner or user of medical X-ray installation equipment to ensure compliance with the statutory provisions. The X-Ray Safety Code mandates that only the medical X-ray machines approved by the AERB can be installed for use in compliance with the specific requirements of the X-Ray Safety Code, including in relation to location and layout. Additionally, under the X-Ray Safety Code, the owners of medical X-ray installations in India are required to be registered with AERB and conduct quality assurance performance test of the X-ray unit.

### ***Draft Digital Information Security in Healthcare Act (“DISHA”)***

The DISHA has been drafted to provide for the establishment of national and state eHealth authorities and health information exchanges, to standardise and regulate the processes related to collection, storing, transmission and use of digital health data and to ensure reliability, data privacy, confidentiality and security of digital health data. The DISHA enumerated the rights of the owners of digital health data and the purposes for which health data can be collected, stored, transmitted and used. A violation of the provisions of the DISHA attracts punishment with a fine or imprisonment. However, the DISHA is still in draft form and is yet to be notified.

### ***Pharmacy Act, 1948 and Pharmacy Practice Regulations, 2015***

Under the Pharmacy Act, 1948, pharmacists are required to be registered with the Pharmacy Council of India. Only registered pharmacists are permitted to vend medicines and drugs from pharmacies. The Pharmacy Practice Regulations, 2015 impose certain obligations on the owners of pharmacy businesses. For instance, names of the owner of the pharmacy business, and the registered pharmacist must be mandatorily displayed in the premises where the business is being carried on and in compliance with the various conditions stipulated thereunder. A registered pharmacist also is required to be appointed to be in compliance with the aforementioned requirement. Under the Pharmacy Act, 1948, if pharmacists falsely claim to be registered, or dispense medicines without being registered, they are punishable with fine or imprisonment or both.

### ***Narcotic Drugs and Psychotropic Substances Act, 1985 (“NDPS Act”) and Psychotropic Substances Rules, 1985 (“NDPS Rules”)***

The NDPS Act regulates the possession and use of drugs falling within the definition of “narcotic drug” and “psychotropic substances”. A number of drugs used in the treatment of human beings are regulated by the NDPS Act. Under the NDPS Rules, a licence will need to be obtained from the licensing authority under the NDPS Act, for a hospital to purchase and administer such drugs to patients.

### ***Drugs and Cosmetics Act, 1940 (“Drugs Act”), the Drugs and Cosmetics Rules, 1945 (“Drugs Rules”) and the New Drugs and Clinical Trials Rules, 2019 (“Clinical Trials Rules”)***

The Drugs Act regulates the import, manufacture, distribution and sale of drugs and prohibits the manufacture and sale of certain drugs and cosmetics which are misbranded, adulterated or spurious. The Drugs Act and the Drugs Rules specify the requirement of a license for the manufacture, sale, import or distribution of any drug or cosmetic. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities. Violations of various provisions of the Drugs Act, including those pertaining to the manufacturing and import of spurious drugs, non-disclosure of specified information and a failure to keep the required documents are punishable with a fine, or imprisonment or both.

Under the Drugs Rules, human clinical trials for drugs are regulated. The Drugs Rules provide for obtaining of registration of the ethics committee by the licensing authority and provides for a phase wise application procedure for the conduct of clinical trials. Every clinical trial will have to be registered with the Clinical Trials Registry – India before enrolling the first patients for study. A detailed scheme for compensating patients participating in such clinical trials, in case of death or injury, has also been provided for under the Drugs Rules. Annual status reports on each clinical trial, including whether it is on-going, completed or terminated, are required to be submitted to the licensing authority.

Further, under the Clinical Trials Rules, the ethics committee is required to register itself with the central licensing authority in order to conduct any clinical trial, bioavailability study or bioequivalence study. The Clinical Trials Rules further provide for the composition and functions of the ethics committee and its period of validity. The Clinical Trials Rules further mandate the maintenance of records for a period of five years after completion of the clinical trial or bioavailability study or bioequivalence study, as the case may be.

### ***The Food Safety and Standards Act 2006 (“FSS Act”)***

FSS Act provides for the establishment of the Food Safety and Standards Authority of India, which establishes food safety standards for the manufacture, storage, distribution, sale and import of food. The FSS Act sets forth requirements relating to the licensing and registration of food businesses, general principles for food safety, responsibilities of food business operators and liability of manufacturers and sellers, and provides for adjudication of such issues by the Food Safety Appellate Tribunal.

In exercise of powers under the FSS Act, FSSAI has framed, inter alia, the Food Safety and Standard Rules, 2011 (“FSSR”). The FSSR sets out the enforcement structure of ‘commissioner of food safety’, ‘food safety officer’ and ‘food analyst’ and procedures of taking extracts of books of accounts and other relevant documents, seizure of food articles, sampling of food articles and analysis. The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 provide for the conditions and procedures for registration and licensing process for food business and lays down general requirements to be fulfilled by various food business operator.

#### ***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 GoI to, prohibit the manufacture, possession, use, and transfer, export and import, transport and disposal, of any radioactive substances without its written consent and requires 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. Violation of various provisions of the AE Act is punishable fine or imprisonment, or both. Further, the GoI, in order to prevent radiation hazards, secure public safety and safety of persons handling radioactive substances or radiation generating plants, is empowered to ensure safe disposal of radioactive wastes at such premises. Our Company is required to obtain licenses from the AERB for the use of radioactive substances and disposal of radioactive waste.

#### ***Atomic Energy (Radiation Protection) Rules, 2004 (“Radiation Rules”)***

The Radiation Rules require that no person shall, without a license issued by the Atomic Energy Regulatory Board (“AERB”), establish a radiation installation for siting, design, construction, commissioning or operation. Such license is valid for a period of five years. The Radiation Rules also require a license for a person to handle radioactive material or operate a radiation generating equipment. A registration will be required under the Radiation Rules, for sources and practices associated with medical diagnostic x-ray equipment including therapy, simulator and analytical x-ray equipment used for research.

#### ***Atomic Energy (Safe Disposal of Radioactive Wastes) Rules, 1987 (“Radioactive Waste Rules”)***

Under the Radioactive Waste Rules, an authorisation is necessary for any person to dispose of radioactive waste, and the waste may only be disposed of in the terms of such authorisation. A Radiological Safety Officer is required to be appointed to assist in the safe handling and disposal of radioactive waste. Further, records are required to be maintained of all disposals and handling of radioactive waste and the persons carrying it out.

#### ***Radiation Surveillance Procedures for Medical Application of Radiation, 1989 (“Surveillance Procedures”)***

The Surveillance Procedures provide for safety requirements and procedures to be complied with in connection with operating a radiation generating equipment. The Surveillance Procedures require that a radiology safety officer, whose appointment is approved by the AERB, be appointed with respect to the operation of radiation generating equipment.

### **E-Commerce Regulations**

#### ***Consumer Protection (E-Commerce) Rules, 2020 (“E-Commerce Rules”) and the proposed amendments to the E-Commerce Rules***

The Ministry of Consumer Affairs issued the E-Commerce Rules under the Consumer Protection Act, 2019 on July 23, 2020. The E-Commerce Rules provide a framework to regulate the marketing, sale and purchase of goods and services online. These rules apply to (a) good/services purchases or sold vide digital or electronic network, including digital products; (b) marketplace and inventory e-commerce entities; (c) all e-commerce retailing; and (d) forms of unfair trade practices across all e-commerce models. It specifies the Duties of E-commerce Entities, specific duties and liabilities of marketplace e-commerce entities and those of inventory e-commerce entities, and duties of sellers on marketplace. The E-Commerce Rules further requires the e-commerce entity to appoint grievance officer and provide for a grievance redressal mechanism. Any violation of these rules attracts penal action under the Consumer Protection Act, 2019.

The Ministry of Consumer Affairs, Food and Public Distribution has on June 21, 2021 released proposed amendments to the E-Commerce Rules, 2020, for comments. The proposed changes would require that e-commerce businesses should mention the name and details of any importer from whom it has purchased such goods or services alongside providing alternative suggestions to customers before they make a purchase to ensure fair opportunity for domestic goods. Additionally, the e-commerce entity shall not allow display or promotion of

any misleading advertisement or engage in mis-selling of goods on the platform. The rules have also introduced the concept of “fall-back liability”, which says that e-commerce businesses will be held liable in case a seller on their platform fails to deliver goods or services due to negligent conduct, which causes loss to the customer. Additionally, they would be required to share information within 72 hours with government agency which is lawfully authorised for investigative or protective or cyber security activities, for the purposes of verification of identity, or for the prevention, detection, investigation, or prosecution, of offences under any law for the time being in force, or for cyber security incidents.

#### ***Draft National E-Commerce Policy, 2019 (“2019 Draft Policy”)***

In March 2019, the DPIIT had invited comments from stakeholders and the public on the 2019 Draft Policy. Among other items, the 2019 Draft Policy proposed that measures should be taken to regulate cross-border data flow, establish a level playing field for domestic and foreign e-commerce players, boost sale of domestic products through e-commerce, and generally regulate e-commerce in India. DPIIT is currently working on a revised draft policy.

#### **Environmental Legislation**

##### ***Environment Protection Act, 1986 (the “EP Act”), Environment Protection Rules, 1986 (the “EP Rules”) and Environmental Impact Assessment Notification, 2006 (“EIA Notification”)***

The EP Act has been enacted for the protection and improvement of the environment and empowers the government to take measures in this regard. It is in the form of an umbrella legislation designed to provide a framework for GoI to coordinate the activities of various central and state authorities established under previous laws. Further, the EP Rules specifies, amongst other things, the standards for emission or discharge of environmental pollutants, and restrictions on the handling of hazardous substances in different areas. For contravention of any of the provisions of the EP Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources.

##### ***Bio-Medical Waste Management Rules, 2016 (“BMW Rules”)***

The BMW Rules apply to all persons who generate, collect, receive, store, transport, treat, dispose or handle bio-medical waste in any form including hospitals, nursing homes and clinics. Our Company is required to obtain an authorisation under the BMW Rules for the generation of bio-medical waste to ensure that such waste is handled without any adverse effect to human health and the environment and to set up bio-medical waste treatment facilities as prescribed under the BMW Rules, including pre-treating laboratory and microbiological waste, and providing training to health care workers and others involved in handling bio-medical waste. We are also required to submit an annual report to the prescribed authority and also to maintain records related to the generation, collection, storage, transportation, treatment, disposal, and/ or any form of handling of biomedical waste in accordance with the BMW Rules and the guidelines issued thereunder. 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 EP Act or BMW Rules.

##### ***Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”) and Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”)***

The Air Act was enacted to provide for the prevention, control and abatement of air pollution in India. It is a specialised piece of legislation which was enacted to take appropriate steps for the preservation of natural resources of the earth, which amongst other things include the preservation of the quality of air and control of air pollution. The Water Act was enacted to control and prevent water pollution and for maintaining or restoring of wholesomeness of water in the country. The objective of this legislation is to ensure that domestic and industrial pollutants are not discharged into rivers and lakes without adequate treatment. Our Company is required to obtain consents to operate under the Air Act and the Water Act authorising us to, amongst others, operate our chimneys keeping within the prescribed emission standards and discharge effluents from outlets up to a maximum limit and in accordance with the conditions specified. A violation of the provisions of the Air Act and Water Act is punishable with a fine and/or imprisonment.

***Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the “Hazardous Waste Rules”)***

The Hazardous Waste Rules, read with the EP Act, ensure resource recovery and disposal of hazardous waste in an environmentally sound manner. A categorical list of hazardous wastes have been provided in the schedules in the Hazardous Waste Rules. Our Company is required to obtain authorisations for the generation, processing, treatment, package, storage, transportation, use, collection, destruction, transfer or the like of the hazardous waste from the concerned state pollution control board.

***Public Liability Insurance Act, 1991 (“Public Liability Act”)***

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification dated March 24, 1992. The owner or handler is also required to take out one or more insurance policies insuring against liability under the legislation and renew the same periodically. The Public Liability Act also provides for the establishment of the Environmental Relief Fund, which shall be utilised towards payment of relief granted under the Public Liability Act and a violation of the provisions of the Public Liability Act is punishable with fine or imprisonment or both. The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

**Labour Law Legislation**

The various labour and employment related legislation that may apply to our operations, from the perspective of protecting the workers’ rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

- i. Contract Labour (Regulation and Abolition) Act, 1970
- ii. Shops and Establishments legislation in various states
- iii. Employees State Insurance Act, 1948
- iv. Employees’ Provident Funds and Miscellaneous Provisions Act, 1952
- v. Employees’ State Insurance Act, 1948
- vi. Minimum Wages Act, 1948
- vii. Payment of Bonus Act, 1965
- viii. Payment of Gratuity Act, 1972
- ix. Payment of Wages Act, 1936
- x. Maternity Benefit Act, 1961
- xi. Industrial Disputes Act, 1947
- xii. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- xiii. Employees’ Compensation Act, 1923
- xiv. Building and Other Construction Workers Regulation of Employment and Conditions of Service Act, 1996.
- xv. The Code on Wages, 2019\*
- xvi. The Occupational Safety, Health and Working Conditions Code, 2020\*\*
- xvii. The Industrial Relations Code, 2020\*\*\*
- xviii. The Code on Social Security, 2020\*\*\*\*

*\*The GoI enacted 'The Code on Wages, 2019' which received the assent of the President of India on August 8, 2019. Through its notification dated December 18, 2020, the GoI brought into force sections 42(1), 42(2), 42(3), 42(10), 42(11), 67(ii)(s), 67(ii)(t) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7, 9 (to the extent that they relate to the GoI) and 8 of the Minimum Wages Act, 1986) of the Code on Wages, 2019. The remaining provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.*

*\*\*The GoI enacted 'The Occupational Safety, Health and Working Conditions Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume several separate legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.*

*\*\*\*The GoI enacted 'The Industrial Relations Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.*

*\*\*\*\*The GoI enacted 'The Code on Social Security, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008.*

## **Intellectual Property Legislation**

The Copyright Act, 1957 and the Copyright Rules, 2013, issued under the Copyright Act, 1957, protect literary and dramatic works, musical works, artistic works including photographs and audio visual works (cinematograph films and video). While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyright Rules, 2013 lays down the procedure for registration of copyright, including artistic, musical and literary works. The Trade Marks Act, 1999 ("**Trade Marks Act**") provides for application and registration of trademarks in India. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying trademarks.

## **Other Applicable Laws**

### ***Consumer Protection Act, 2019 ("COPRA, 2019")***

COPRA, 2019 has replaced the earlier Consumer Protection Act, 1986, seeking to provide better protection to the interests of consumers, especially in the digital age and to establish competent authorities for timely and effective administration and settlement of consumer disputes. COPRA, 2019 provides for establishment of a Central Consumer Protection Authority to regulate, amongst other things, matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of public and consumers. The key features of the COPRA, 2019 include wider definition of "consumer", enhancement of pecuniary jurisdiction, flexibility in e-filing complaints, imposition of product liability, wider definition of unfair trade practices, and provision for alternative dispute resolution. COPRA, 2019 provides for penalties for, amongst others, manufacturing for sale or storing, selling or distributing or importing products containing adulterants and for publishing false or misleading advertisements. The Consumer Protection (E-Commerce) Rules, 2020, issued under the COPRA, 2019 apply to, amongst other things, goods and services bought or sold over digital or electronic networks, all models of e-commerce and all forms of unfair trade practice across e-commerce models. They specify the duties of sellers, e-commerce entities and inventory e-commerce entities and the liabilities of marketplace e-commerce entities.

### ***The Information Technology Act, 2000 (the “IT Act”) and the rules made thereunder***

The IT Act seeks to provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information and create a mechanism for the authentication of electronic documentation through digital signatures. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing. The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The Department of Information Technology, (“**DoIT**”) notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 (“**IT Intermediary Rules**”) requiring intermediaries receiving, storing, transmitting, or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediary Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries.

### ***Personal Data Protection Bill, 2019 (“PDP Bill”)***

The PDP Bill proposes a legal framework governing the processing of personal data, where such data has been collected, disclosed, shared or otherwise processed within the territory of India, as well as any processing of personal data by the Indian Government, Indian companies, Indian citizens or any person or body of persons incorporated or created under Indian law. The PDP Bill defines personal data and sensitive personal data, prescribes rules for collecting, storing and processing of such data and creates rights and obligations of data-subjects and processors. The Indian Government has also been mooting legislation governing non-personal data.

The Indian Government has also been mooting legislation governing non-personal data. In September 2019, the Ministry of Electronics and Information Technology, Government of India (“**MoEIT**”) formed a committee of experts (“**NPD Committee**”) to recommend a regulatory regime to govern non-personal data (“**NPD**”). The NPD Committee has released two reports till date, which recommend, among other items, a framework to govern NPD (defined as any data other than personal data), access and sharing of NPD with government and corporations alike and a registration regime and for “data businesses”, being business that collect, process or store data, both personal and non-personal.

Recently, the joint parliamentary committee (“**JPC**”) tabled a report on the PDP Bill before the Parliament of India on December 16, 2021 to submit its general and clause-by-clause recommendation, including a revised version of the PDP Bill (“**2021 Bill**”). While PDP Bill was focused on personal data with limited reference to sharing of NPD, the 2021 Bill has expanded the scope to cover NPD as well, because of which it is now proposed to be called the “Data Protection Bill”, rather than the “Personal Data Protection Bill”. The MoEIT is yet to submit the revised version of the data protection bill before the Parliament



## **HISTORY AND CERTAIN CORPORATE MATTERS**

### **Brief history of our Company**

Our Company was incorporated on December 15, 2005, as a private limited company under the Companies Act, 1956, with the name, 'Kids Clinic Bangalore Private Limited', pursuant to a certificate of incorporation issued by the RoC. Thereafter the registered office of our Company was shifted from No. 9 Curly Street Richmond Town, Bengaluru 560 025, Karnataka, India to No. 1533 9<sup>th</sup> Main Jayanagar 3<sup>rd</sup> Block, Bengaluru 560 011, Karnataka India, on October 1, 2006. Thereafter, name of our Company was changed to 'Kids Clinic India Private Limited' approved by a board resolution dated May 20, 2011 and a special resolution dated June 22, 2011 passed by our Shareholders, along with a fresh certificate of incorporation issued by the RoC on September 16, 2011, since our Company was looking to expand its business activities to other locations of India and our board of directors believed the name of our Company should be changed to reflect the current business activities of our Company. Thereafter, pursuant to the conversion of our Company to a public limited company pursuant to a board resolution dated November 16, 2021, and a special resolution passed by our Shareholders dated November 26, 2021, our name was changed to 'Kids Clinic India Limited' and the RoC issued a fresh certificate of incorporation on December 13, 2021, in this regard.

### **Changes in the Registered Office**

The registered office of our Company was shifted from No. 9, Curly Street Richmond Town, Bengaluru 560 025, Karnataka, India, to No. 1533, 9<sup>th</sup> Main Jayanagar, 3<sup>rd</sup> block, Bengaluru 560 011, Karnataka, India owing to operational convenience on October 1, 2006.

### **Main objects of our Company**

The main objects contained in our Memorandum of Association are as follows:

1. To construct, build, establish, acquire, assist, maintain, manage, administer, operate, run, purchase, get, acquire, sell, convert, develop, improve, hold with absolute rights or with limited rights or on lease, sub - lease or otherwise, hospitals, nursing homes, medical colleges, medical centers, dispensaries, child welfare centers, health care centers, therapeutics centers, operation theatre, maternity homes, pediatric centers, optical shops, blood bank, skin bank, sera bank, X- Ray clinic, CT Scan center, sonography and pathology laboratory.
- 1A. To construct, build, establish, acquire, assist, maintain, manage, administer, operate, run, purchase, get, acquire, sell, convert, develop, improve, hold with absolute rights or with limited rights or on lease, sub-lease or otherwise, hospitals, fertility clinics (IVF centre), nursing homes, medical colleges, medical centers, dispensaries, child welfare centers, health care centers, therapeutics centers, operation theater, maternity homes, pediatric centers, optical shops, blood bank, skin bank, sera bank, X-Ray clinic, CT scan center, sonography, pharmacy, pharmacy related services, diagnostic centre, diagnostic related services, pathology laboratory and related services.
2. To carry out or undertake research, discovery, improvement or development of new methods by diagnosis in the field of medicine, understanding, prevention and treatment of disease, providing all type of facilities either on chargeable or charitable basis.
3. To carry on the business of profession of providing a platform, technology and/or other mechanism/services including through any future and known or unknown technology to facilitate transactions, commerce, electronic commerce, mobile commerce, any type of commerce whether by and between businesses, by and between individual consumers or by and between businesses and individual consumer and the likes and incidental and ancillary activities thereto including without limitation displaying advertisement and promotions.

The main objects clause as contained in the Memorandum of Association enable our Company to undertake its existing activities.

### **Amendments to the Memorandum of Association**

Set out below are the amendments to our Memorandum of Association in the last 10 years:

Date of Shareholder's resolution/ Effective date	Particulars
May 20, 2011	Clause V of the Memorandum of Association was amended to reflect the reclassification of equity shares from ₹ 100,000,000 divided into 10,000,000 equity shares of ₹ 10 each into ₹ 69,702,010 divided into 6,970,201 equity shares of ₹ 10 and ₹ 30,297,990 divided into 3,029,799 CCPS of ₹ 10 each and creation of 2,600,000 CCPS of ₹ 10 each thereby increasing the authorised share capital of our Company from ₹ 100,000,000 divided into 10,000,000 equity shares of ₹10 each to ₹ 126,000,000 divided into 6,970,201 equity shares of ₹ 10 each and 5,629,799 CCPS of ₹ 10 each.
September 16, 2011	Clause I of the Memorandum of Association was amended to reflect change of name of our Company from 'Kids Clinic Bengaluru Private Limited' to 'Kids Clinic India Private Limited'.
September 30, 2013	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹ 126,000,000 divided into 6,970,201 equity shares of ₹ 10 each and 5,629,799 CCPS of ₹ 10 each to ₹ 185,000,000 divided into 8,500,000 equity shares of ₹10 each and 10,000,000 CCPS of ₹ 10 each.
August 26, 2015	Clause V of the Memorandum of Association was amended to reflect the reclassification increase in the authorised share capital from ₹ 185,000,000 divided into 8,500,000 equity shares of ₹10 each and 10,000,000 CCPS of ₹ 10 each to ₹ 223,539,080 divided into 8,500,000 equity shares of ₹ 10 each; 9,571,788 CCPS of ₹ 10 each and 428,212 Class B1 CCPS of ₹ 100 each.
September 29, 2015	Clause III of the Memorandum of Association was amended to reflect the addition of the object pursuant to clause 3.9.1 of the scheme of amalgamation between our Company and Sure Fertility (India) Private Limited and clause V of the Memorandum of Association was amended to reflect the increase in the authorised capital to ₹ 233,539,080 divided into 9,500,000 equity shares of ₹ 10 each; 9,571,788 CCPS of ₹ 10 each and 428,212 Class B1 CCPS of ₹ 100 each pursuant to above mentioned amalgamation.
December 11, 2015	Clause V of the Memorandum of Association was amended to reflect the reclassification and increase in the authorised capital from ₹ 233,539,080 divided into 9,500,000 equity shares of ₹ 10 each; 9,571,788 Class A and Class B CCPS of ₹ 10 each and 428,212 Class B1 CCPS of ₹ 100 each to ₹ 673,539,080 divided into 9,500,000 equity shares of value of ₹ 10 each ; 5,629,799 Class A CCPS of value ₹ 10 each, 3,941,989 Class B CCPS of value ₹10 each; 428,212 Class B1 CCPS of value ₹100 each and 4,400,000 Class C CCPS of ₹ 100 each.
May 17, 2018	Clause V of the Memorandum of Association was amended to reflect the reclassification and increase in the authorised capital from ₹ 673,539,080 divided into 9,500,000 equity shares of value of ₹ 10 each ; 5,629,799 Class A CCPS of value ₹ 10 each, 3,941,989 Class B CCPS of value ₹10 each; 428,212 Class B1 CCPS of value ₹100 each and 4,400,000 Class C CCPS of ₹ 100 each to ₹777,839,080 divided into 9,500,000 equity shares of value of ₹ 10 each; 5,629,799 Class A CCPS of value ₹10 each; 3,941,989 Class B CCPS of value ₹10 each; 428,212 Class B1 CCPS of value ₹100 each; 4,400,000 Class C CCPS of ₹ 100 each and 1,043,000 Class C1 of ₹ 100 each.
November 28, 2020	Clause III (A) of the Memorandum of Association was amended to reflect the inclusion of other activities undertaken by our Company like Ecommerce business.
June 18, 2021	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised capital from ₹ 777,839,080 divided into 9,500,000 equity shares of value of ₹ 10 each; 5,629,799 Class A CCPS of value ₹ 10 each; 3,941,989 Class B CCPS of value ₹10 each; 428,212 Class B1 CCPS of value ₹100 each; 4,400,000 Class C CCPS of ₹ 100 each and 104,300 Class C1 CCPS of ₹ 100 each to ₹ 927,839,080 divided into 9,500,000 equity shares of value of ₹ 10 each; 5,629,799 Class A Class of value ₹ 10 each; 3,941,989 Class B CCPS of value ₹10 each; 428,212 Class B1 CCPS of value ₹100 each; 4,400,000 Class C CCPS of ₹ 100 each; 1,043,00 Class C1 CCPS of ₹ 100 each and 500,000 Class C2 CCPS of ₹ 300 each.
November 26, 2021	Clause I of the Memorandum of Association was amended to reflect change of name of our Company from "Kids Clinic India Private Limited" to "Kids Clinic India Limited".
January 17, 2022	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised capital from ₹ 927,839,080 divided into 9,500,000 Equity Shares of value of ₹10 each; 5,629,799 Class A CCPS of value ₹ 10 each; 3,941,989 Class B CCPS of value ₹10 each; 428,212 Class B1 CCPS of value ₹100 each; 4,400,000 Class C CCPS of ₹ 100 each; 104,300 Class C1 CCPS of ₹ 100 each and 500,000 Class C2 CCPS of ₹ 300 each to ₹1,132,839,080 divided into 30,000,000 Equity Shares of value of ₹10 each; 5,629,799 Class A CCPS of value ₹ 10 each; 3,941,989 Class B CCPS of value ₹10 each; 428,212 Class B1 CCPS of value ₹100 each; 4,400,000 Class C preference shares of ₹ 100 each; 104,300 Class C1 CCPS of ₹ 100 each and 500,000 Class C2 CCPS of ₹ 300 each
January 17, 2022	Clause V of the Memorandum of Association was amended to reflect the sub-division in authorised share capital from ₹1,132,839,080 divided into 30,000,000 equity shares of value of ₹ 10 each; 5,629,799 Class A CCPS of value ₹ 10 each; 3,941,989 Class B CCPS of value

Date of Shareholder's resolution/ Effective date	Particulars
	₹10 each; 428,212 Class B1 CCPS of value ₹100 each; 4,400,000 Class C CCPS of ₹ 100 each; 104,300 Class C1 CCPS of ₹ 100 each and 500,000 Class C2 CCPS of ₹ 300 each to ₹1,132,839,080 divided into 60,000,000 Equity Shares of value of ₹5 each; 5,629,799 Class A CCPS of value ₹ 10 each; 3,941,989 Class B CCPS of value ₹10 each; 428,212 Class B1 CCPS of value ₹100 each; 4,400,000 Class C CCPS of ₹ 100 each; 104,300 Class C1 CCPS of ₹ 100 each and 500,000 Class C2 CCPS of ₹ 300 each.

## Major events and milestones of our Company

The table below sets forth some of the key events in the history of our Company

Fiscal Year	Events
2005	<ul style="list-style-type: none"> <li>Registration of our Company as Kids Clinic Bangalore Private Limited</li> </ul>
2006	<ul style="list-style-type: none"> <li>Establishment of our centre at Jayanagar, Bengaluru</li> </ul>
2011	<ul style="list-style-type: none"> <li>Our Company entered into a share subscription agreement with Matrix Partners India Investments LLC to raise ₹450.00 million</li> </ul>
2012	<ul style="list-style-type: none"> <li>Establishment of our centre at Malleswaram, Bengaluru</li> <li>Establishment of our centre at Old Airport Road, Bengaluru</li> </ul>
2013	<ul style="list-style-type: none"> <li>Our Company entered into a share subscription agreement to raise ₹778.03 million from SCI Growth Investments II and ₹250.00 million from Matrix Partners India Investments LLC</li> </ul>
2015	<ul style="list-style-type: none"> <li>Our Company entered into a share subscription agreement with Indium V (Mauritius) Holdings Limited to raise ₹2,527.00 million</li> <li>Our Company entered into an agreement with LifeCell International Private Limited to launch stem cell banking service</li> <li>Our Company launched a programme called MBA</li> <li>Investment in our Subsidiary, Acquity Labs Private Limited</li> <li>We expanded in Bengaluru with the establishment of our centre at Whitefield, Bengaluru</li> <li>Our Company forayed into Maharashtra with establishment of new centres at Malad, Mumbai and Shivaji Nagar, Pune</li> </ul>
2016	<ul style="list-style-type: none"> <li>Establishment of our centre at Kalyaninagar, Pune</li> <li>Expansion in North India by establishing our centre at Gurugram Sector 47, Haryana</li> <li>Further expansion in Maharashtra with the establishment our centre at Vashi, Mumbai</li> <li>Expansion in South India by establishing our centre at T-Nagar, Chennai</li> <li>Our Company entered into a service agreement with Vermont Oxford Network with respect to data analysis of our centers.</li> </ul>
2018	<ul style="list-style-type: none"> <li>Our Company received a fresh private equity funding from True North Fund V LLP</li> <li>Establishment of our centers at Noida, Uttar Pradesh, at Chandigarh and at HRBR, Bengaluru</li> </ul>
2019	<ul style="list-style-type: none"> <li>Establishment of our centre at Gurugram Sector 14, Haryana</li> </ul>
2021	<ul style="list-style-type: none"> <li>Expansion in South India with the establishment of our centres at Kanakapura, Sahakarnagar, and Electronic City, Bengaluru and OMR, Chennai</li> <li>Expansion in North India with the launch of our centres at Panchkula and Faridabad, Haryana and in East Delhi and Punjabi Bagh, Delhi NCR</li> <li>Our Company entered into an investment agreement with NewQuest Asia Fund IV (Singapore) Pte. Ltd. to raise ₹2,355.75 million</li> <li>Our Company entered into an agreement with a hospital in relation to the setting up of NICU services.</li> </ul>

## Awards and Accreditations

Calendar Year	Details
2011	<ul style="list-style-type: none"> <li>Brand Academy Service Excellence Award for Best Maternity &amp; Newborn Care Hospital</li> </ul>
2012	<ul style="list-style-type: none"> <li>ET NOW-India MART Leaders of Tomorrow Award in Healthcare, Biotech &amp; Hospital Services</li> </ul>
2013	<ul style="list-style-type: none"> <li>Healthcare Excellence Award for Best Maternal &amp; Neonatal Hospital</li> <li>Benny Award for Compensation and Benefits in Healthcare</li> <li>National Quality Excellence Award for Best Customer Service Result</li> </ul>
2014	<ul style="list-style-type: none"> <li>Frost &amp; Sullivan Mother &amp; Child Care Service Provider Company of the year</li> <li>Brands Academy Business &amp; Service Excellence Award in Best Maternity and Newborn Care Hospital</li> <li>VC Circle Awards for Healthcare Company of the Year</li> </ul>

Calendar Year	Details
2016	<ul style="list-style-type: none"> <li>• 2014 Australian Services Excellence Award</li> <li>• CIMS Healthcare Excellence award for Hospital with Highest Standard in Patient Care</li> <li>• Economic Times Best Healthcare Brands award for Specialised Hospital for Woman and Child</li> </ul>
	<ul style="list-style-type: none"> <li>• Frost &amp; Sullivan India Mother &amp; Child Service Provider Company of the year</li> <li>• Silicon Review Award for 50 Best Companies to Work For</li> <li>• Recognised by Insight Success as 10 Most Valuable Healthcare Solutions Provider</li> <li>• Worldwide Achievers Business Leadership Summit Award for Best Women and Child Hospital in India</li> <li>• Vijayavani Healthcare Achievers &amp; Leaders Award for Best Customer Service in Healthcare</li> </ul>
2017	<ul style="list-style-type: none"> <li>• ipsa International Product and Service Award for Best Women and Child Hospital in India</li> <li>• Times Healthcare Achievers Award 2017 for the Best Single Specialty Hospital–Obstetrics, Gynaecology &amp; Paediatrics</li> <li>• Kids Stop Press Award for Best Birthing Centre</li> </ul>
2018	<ul style="list-style-type: none"> <li>• Honoured by Times Healthcare Achievers 2018 in the Emerging Multi Speciality Hospital Category.</li> <li>• Our centre at Bengaluru ranked (national ranking) as No. 9 Hospital in India (Obstetrics &amp; Gynaecology) - All India Critical Care Hospital Ranking Survey 2018 by Times of India</li> <li>• Our centre at Bengaluru ranked as No. 1 Hospital in Bengaluru (Obstetrics &amp; Gynaecology) - City wise - All India Critical Care Hospital Ranking Survey 2018 by Times of India</li> <li>• Our neonatology units at Bengaluru and Chennai were accredited by the NNF</li> </ul>
2019	<ul style="list-style-type: none"> <li>• Infocomm India Award in IT Excellence</li> <li>• Our centre at Malad, Mumbai ranked as No. 3 (West) Single Speciality Hospital for West Region (Obgyn.) and ranked as No.2 (West) Single Speciality Hospital (Paediatrics) - All India Critical Care Hospital Ranking Survey 2019 by Times of India.</li> <li>• Our centre at Bengaluru ranked as India's No. 4 Single Speciality Hospital (Paediatrics)–All India Critical Care Hospital Ranking Survey 2019 by Times of India.</li> <li>• Our centres at Bellandur, Jayanagar, Bengaluru, Sector 47, Gurugram, Kalyaninagar and Malad, Maharashtra were accredited by NABH</li> </ul>
2020	<ul style="list-style-type: none"> <li>• Our centre at Bengaluru ranked as India's No. 1 Single Speciality Hospital –All India Critical Care Hospital Ranking Survey 2020 (Obstetrics &amp; Gynaecology) by Times of India</li> <li>• Our centres at Chandigarh and Old Airport Road, Bengaluru, were accredited by NABH.</li> <li>• Our neonatology units at Gurugram and Vashi, Maharashtra were accredited by the NNF</li> </ul>
2021	<ul style="list-style-type: none"> <li>• Our centres at Malleswaram, HRBR Bengaluru and Noida, Uttar Pradesh were accredited by NABH</li> <li>• Our centre at Bengaluru ranked as India's No. 1 City Multi Speciality Hospitals by Times of India for All India IVF &amp; Fertility Hospitals ranking survey 2020-2021</li> <li>• Our centre at Gurugram ranked as No.1 by The Times of India for All India IVF &amp; Fertility Hospitals ranking survey 2020-2021</li> <li>• Our neonatology units at Bengaluru and Chandigarh were accredited by the NNF</li> </ul>

### **Our Holding Company**

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

### **Our Joint Venture and Associate**

As of the date of this Draft Red Herring Prospectus, our Company does not have a joint venture or an associate company.

### **Significant financial and strategic partnerships**

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial and strategic partnerships.

### **Time/cost overrun**

There have been no time and cost over-runs in respect of our business operations.

### **Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks**

In response to the Covid-19 pandemic, the RBI allowed banks and lending institutions to offer moratorium to their customers to defer payments under loan agreement. Pursuant to such measures, our Company availed three months of moratorium from the month of March to May with respect to the term loans availed from HDFC Bank Limited. For details, please see “*Risk Factors- We rely on financing from banks or financial institutions to carry on our business operations, and inability to obtain additional financing on terms favourable to us or at all could have an adverse impact on our financial condition. If we are unable to raise additional capital, our business and future financial performance could be adversely affected. A downgrade in credit rating could also adversely impact interest costs or access to future borrowings*” on page 46.

Except as mentioned above, there have been no instances of rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our current borrowings from lenders by our Company.

### **Capacity/facility creation, location of hospitals**

For details regarding capacity/facility creation and location of the centres of our Company and our Subsidiary, see “*Our Business*” on page 152.

### **Launch of key products or services, entry into new geographies or exit from existing markets**

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see “*Our Business*” and “*- Major Events and Milestones of our Company*” on pages 152 and 191, respectively.

### **Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years**

Except as disclosed below, our Company has not made any material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years.

#### ***Amalgamation of Sure Fertility (India) Private Limited with our Company***

The High Court of Judicature of Karnataka at Bengaluru, through its order dated August 21, 2015, sanctioned a scheme of amalgamation (“**Scheme**”) under section 391 to 394 of the Companies Act, 1956, for the amalgamation of Sure Fertility (India) Private Limited (transferor) with our Company (transferee). The appointed date of the scheme was April 1, 2014. The rationale of the Scheme inter alia was to consolidate the management of both the companies to enable better, efficient and economic management, and exploitation of growth opportunities in the health care sector. Upon the Scheme becoming effective, the authorised share capital of our Company stood enhanced by adding the authorised share capital of ₹10,000,000 comprising of 1,000,000 equity shares of ₹10 each.

#### ***Share Subscription and Shareholders’ Agreement dated March 17, 2015 entered into between our Company, Acquity Labs Private Limited (our Subsidiary), Akash Navilebasappa and Bhanumathi Akash (altogether the “Parties”) and such agreement (the “SSSA”)***

Our Subsidiary, Acquity Labs Private Limited is engaged in the business of providing lab services such as new-born screening, prenatal screening, vitamin D screening, TMS etc. Pursuant to the terms of the SSSA, our Company subscribed to, free and clear of all encumbrances, together with all rights, benefits and entitlements thereto, 51% shares of Acquity Labs Private Limited. Subsequent to such acquisition, Acquity Labs Private Limited has become a subsidiary of our Company. Pursuant to the SSSA, the board of Acquity Labs shall comprise of a maximum of five directors, and our Company shall have the right to appoint three directors and Akash Navilebasappa and Bhanumathi Akash shall have the right to appoint 2 directors.

#### ***Share Purchase Agreement dated December 28, 2021 entered into between our Company, Acquity Labs Private Limited, Akash Navilebasappa and Bhanumathi Akash (altogether the “Parties”) (the “SPA”)***

Pursuant to the terms of the SPA, our Company will subscribe to, free and clear of all encumbrances, together with all rights, benefits and entitlements thereto, the remaining 49.00% shares of Acquity Labs Private Limited. Subsequent to such acquisition, Acquity Labs Private Limited will become a wholly owned subsidiary of our Company. Our Company presently holds 1,041 equity shares of Acquity Labs Private Limited aggregating to 51.00% of its total equity holding. According to the terms of the SPA, Akash Navilebasappa and Bhanumathi

Akash are the selling shareholders (the “**Acquity Selling Shareholders**”) jointly holding 1,000 equity shares of the company amounting to 49.00% shares of Acquity Labs Private Limited, which would be subscribed to by our Company for the purchase consideration of ₹ 63,550,000 to be transferred to each Acquity Selling Shareholder. This acquisition is subject to completion of certain customary condition precedents including confirmations to be provided by each Acquity Selling Shareholder that the shares to be sold by them under the SPA are free from any encumbrance or charge. For further details, please “*Objects of the Offer – Acquisition of further shareholding in our Subsidiary, Acquity Labs*” on page 108.

#### **Details of Shareholders’ agreements and other material agreements**

*Amended and Restated Shareholders’ Agreement dated June 30, 2021 entered into between our Company, NewQuest, SCI Growth Investments II, Indium V (Mauritius) Holdings Limited, True North Fund V LLP (together with NewQuest, SCI Growth Investments II and Indium V (Mauritius) Holdings Limited as the “Investors”), Dr. R Kishore Kumar , Rohit M A, Scrips ‘N’ Scrolls India Private Limited, Ramachandra Munisamappa (together with Dr. R Kishore Kumar , Rohit M A and Scrips ‘N’ Scrolls India Private Limited as the “Founder Shareholders”), M A Usha Rani, Gautham Kalro, Vinay Katrela, R Venkatesh Babu, B.R. Rajendra, Monica Rohit, Vidya Kumar, S.V. Girish, B R Shekar, Kallesh Hebbal, Shanta Murthy, Dr. Poornima Mallegowda and Dr. Dharani Bhui (altogether the “Parties”) and such agreement, the “SHA”), as amended by the Amendment Agreement dated February 1, 2022, entered into by such aforementioned parties ( “Amendment Agreement, together with SHA, the “Shareholders’ Agreement”)*

The SHA, entered into between the Parties, records the inter-se rights and obligations by virtue of the respective shareholding of the certain shareholders in our Company, the management of our Company and certain other matters.

The SHA, inter alia, sets out the inter-se rights and obligations of the parties thereto vis-à-vis our Company, and provides, subject to the terms and conditions contained therein, certain rights and obligations including without limitation: (i) anti-dilution adjustment right; (iii) right of first offer and the right of first refusal in the event of transfer of shares by certain shareholders; (iv) tag along rights in the event of any transfer of shares to any third party; (v) right of inspection; (vi) investors’ exit rights; (vii) information rights; and (viii) rights under certain reserved matters.

Further, in order to facilitate the proposed Offer process in accordance with applicable laws, the Parties entered into an amendment agreement dated February 1, 2022, to the SHA (the “**Amendment Agreement**”), recording certain amendments and waivers with respect to certain special rights available to the Selling Shareholders under the Shareholders’ Agreement.

Pursuant to the Amendment Agreement, our Board shall comprise of a maximum of fifteen members in compliance with applicable law including the provisions of the Companies Act and the SEBI Listing Regulations. Subject to receipt of approval of the Shareholders, by way of a special resolution, at the first Shareholders meeting held by our Company after the commencement of trading of Equity Shares pursuant to the Offer, each of the Investors have a right to nominate and recommend directors to the Board of our Company so long as each of Investors hold at least 5.00 % (five per cent.) of our share capital on a fully diluted basis (“**Nominee Director Threshold**”). However, each Investor shall cease to have the right to appoint its respective nominee Director under the Amendment Agreement once its shareholding falls below the Nominee Director Threshold. Further, three Independent Directors, or such number of independent Directors as may be required by applicable law, shall be appointed by our Board and the chairman of our Board shall be an Independent Director, at all times.

In addition to the above, each of the Investors shall also have the right to appoint their respective Nominee Directors, as a member of each committee or subcommittee constituted by our Board, so long as such Investor Shareholder meets the abovementioned Nominee Director Threshold.

In terms of the Shareholders’ Agreement, all the rights of the shareholders under the SHA shall automatically fall away, without any further action by any party on the date on which the Equity Shares shall list and commence trading on the Stock Exchanges pursuant to the Offer, except for the right of the Investors to nominate directors and the right to appoint such Nominee Director as a member of each committee or subcommittee constituted by the Board, which shall be subject to the approval of the Shareholders by way of a special resolution in the first general meeting after the commencement of trading of Equity Shares pursuant to the Offer. These rights are not prejudicial or adverse to the interest of the minority or the public shareholders of our Company. Further, the Shareholders’ Agreement may be terminated at any time, inter-alia, upon the mutual agreement of the parties.

## **Key terms of other subsisting shareholder's agreements**

Except as disclosed in “*History and Certain Corporate Matters - Details of Shareholders agreements and other agreements*” above, our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of the business of our Company. Additionally, there are no inter-se agreements, arrangements, deeds of assignments, acquisition agreements or other agreements of similar nature, and no other clauses or covenants which, in each case, are adverse or prejudicial to the interest of the public shareholders.

### *Agreements with Key Managerial Personnel, Directors or any other employee*

Except as given below there are no agreements entered into by our Key Managerial Personnel or Directors or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Our Company entered into an employment agreement with our Executive Director and CEO, Raviganesh Venkataraman, dated April 17, 2019. The agreement inter alia sets out the terms of the appointment, remuneration, conditions of employment, responsibilities, duties, and obligations between our Company and our Executive Director and CEO, Raviganesh Venkataraman. For detail, see “*Our Management – Terms of appointment and Remuneration of our Executive Directors - Raviganesh Venkataraman*” on page 200.

## **Our Subsidiary**

As of the day of this Draft Red Herring Prospectus, our Company has one subsidiary, as set forth below:

### ***Acquity Labs***

#### *Corporate Information*

Acquity Labs was incorporated on March 20, 2012 under the Companies Act, 1956 with the RoC of Karnataka at Bengaluru. The registered office of Acquity Labs is situated at No. 515, 3<sup>rd</sup> Floor, 4<sup>th</sup> Main, 1<sup>st</sup> Stage, 4<sup>th</sup> Block, HBR Layout, Bengaluru, Karnataka 560 043, India. Its CIN is U74999KA2012PTC063121. The principal business of Acquity Labs inter alia is to carry on the business of prediction and prevention of human pathologies.

#### *Capital Structure*

As on the date of this Draft Red Herring Prospectus, the authorised share capital of Acquity Labs is ₹ 250,000.00 divided into 2,500 equity shares of ₹ 100.00 each. The issued, subscribed and paid-up capital of Acquity Labs is ₹ 204,100.00 divided into 2,041 equity shares of ₹ 100.00 each.

As on the date of this Draft Red Herring Prospectus, our Company holds 1,041 equity shares of Acquity Labs aggregating to 51.00% of the total equity holding of Acquity Labs. For details on acquisition of further shareholding of Acquity by our Company, see “ - *Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years - Share Purchase Agreement dated December 28, 2021 entered into between our Company, Acquity Labs Private Limited, Akash Navilebasappa and Bhanumathi Akash*” and “*Our Objects – Acquisition of further shareholding in our Subsidiary, Acquity Labs*” on page 193 and 108 respectively.

#### *Amount of accumulated profits or losses*

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Acquity Labs, not accounted for, by our Company.

## **Business interest of our Subsidiaries in our Company**

Except as disclosed in “*Summary of this Offer Document – Summary of related party transactions*” on page 23, our Subsidiary has no business interest in our Company.

## OUR MANAGEMENT

In terms of the Articles of Association, our Company is authorised to have a maximum of 15 Directors, in accordance with the provisions of the Companies Act, 2013. As on the date of this Draft Red Herring Prospectus, the Board comprises nine Directors, including three Executive Directors and six Non-Executive Directors including three Independent Directors, of which two are women Directors including a Non-Executive Independent Chairperson. The present composition of the Board and its committees are in accordance with the corporate governance requirements provided under the Companies Act, 2013 and the SEBI Listing Regulations.

### The Board

The details regarding the Board, as on the date of this Draft Red Herring Prospectus, are set forth below:

Name, date of birth, designation, address, occupation, term, period of directorship and DIN of the Directors	Age (years)	Other directorships
<b>Nupur Garg</b>	47	<i>Indian Entities</i>
<i>Date of birth:</i> August 9, 1974		<ul style="list-style-type: none"> <li>• Avyana Business Ventures Private Limited;</li> <li>• Indigo Paints Limited;</li> <li>• Kerala Infrastructure Fund Management Limited;</li> <li>• Triumvirate Management Services Private Limited;</li> <li>• Winpe Development Forum; and</li> <li>• Small Industries Development Bank of India.</li> </ul>
<i>Designation:</i> Chairperson and Non-Executive Independent Director		
<i>Present Address:</i> Flat No. 115 Siddhartha Enclave, New Delhi 110 014, India		
<i>Occupation:</i> Self-employed		
<i>Term:</i> Period of five years from January 4, 2022 and not liable to retire by rotation		<i>Foreign Entities</i>
<i>Period of directorship:</i> Since January 4, 2022		Nil
<i>DIN:</i> 03414074		
<b>Raviganesh Venkataraman</b>	52	<i>Indian Entities</i>
<i>Date of birth:</i> December 14, 1969		<ul style="list-style-type: none"> <li>• Acquity Labs Private Limited.</li> </ul>
<i>Designation:</i> Executive Director and CEO		<i>Foreign Entities</i>
<i>Present Address:</i> #7063 Windmills of Your Mind EPIPZone 5B Whitefield Road Next to L&T Infotech North Bengaluru 560 066, Karnataka, India		Nil
<i>Occupation:</i> Professional		
<i>Term:</i> Period of five years from April 17, 2019 and liable to retire by rotation		
<i>Period of directorship:</i> Since June 15, 2019		
<i>DIN:</i> 07336611		
<b>Dr. R Kishore Kumar</b>	58	<i>Indian Entities</i>
<i>Date of birth:</i> March 19, 1963		<ul style="list-style-type: none"> <li>• Acquity Labs Private Limited;</li> <li>• Kollegal Scanning &amp; Diagnostic Centre Private Limited; and</li> <li>• Nagarika Generics India Private Limited.</li> </ul>
<i>Designation:</i> Executive Director		
<i>Present Address:</i> 17 <sup>th</sup> Cross, 2 <sup>nd</sup> A Main Near Uma Maheswari Temple K R Road Banashankari 2 <sup>nd</sup> Stage Bengaluru 560 070, Karnataka, India		<i>Foreign Entities</i>
<i>Occupation:</i> Service		Nil
<i>Term:</i> For a period of five years with effect from January 4, 2022 and liable to retire by rotation		



Name, date of birth, designation, address, occupation, term, period of directorship and DIN of the Directors	Age (years)	Other directorships
<i>Period of directorship:</i> Since December 15, 2005		
<i>DIN:</i> 02795844		
<b>Rohit M A</b>	40	<i>Indian Entities</i>
<i>Date of birth:</i> May 18, 1981		<ul style="list-style-type: none"> <li>QUAD Five Beta Private Limited.</li> </ul>
<i>Designation:</i> Executive Director		<i>Foreign Entities</i>
<i>Present Address:</i> #170 37 <sup>th</sup> Cross 18 <sup>th</sup> Main 4 T Block Jayanagar Bengaluru South 560 041, Karnataka, India		Nil
<i>Occupation:</i> Service		
<i>Term:</i> Period of five years with effect from January 4, 2022 and liable to retire by rotation		
<i>Period of directorship:</i> Since June 15, 2006		
<i>DIN:</i> 02501034		
<b>Bharat Singh</b>	44	<i>Indian Entities</i>
<i>Date of birth:</i> November 10, 1977		<ul style="list-style-type: none"> <li>Curatio Health Care (I) Private Limited;</li> <li>La Renon Healthcare Private Limited;</li> <li>Stove Kraft Limited; and</li> <li>Wildcraft India Private Limited.</li> </ul>
<i>Designation:</i> Non-Executive Nominee Director		
<i>Present Address:</i> 723 Ranka Heights, Domlur Cross Bengaluru-560 071, Karnataka India		<i>Foreign Entities</i>
<i>Occupation:</i> Professional		Nil
<i>Term:</i> Not liable to retire by rotation		
<i>Period of directorship:</i> Since July 30, 2019		
<i>DIN:</i> 08222884		
<b>Nitin Agarwal</b>	44	<i>Indian Entities</i>
<i>Date of birth:</i> May 21, 1977		<ul style="list-style-type: none"> <li>Tema India Limited.</li> </ul>
<i>Designation:</i> Non-Executive Nominee Director		<i>Foreign Entities</i>
<i>Present Address:</i> B 1501 Rustomjee Seasons MIG CHS IV Ltd. N, Dharmadhkari Road, near MMRDA office, Gandhi Nagar Bandra East Mumbai-400 051, Maharashtra, India		Nil
<i>Occupation:</i> Service		
<i>Term:</i> Not liable to retire by rotation		
<i>Period of directorship:</i> Since July 6, 2021		
<i>DIN:</i> 09196679		
<b>Satish Chander Subbanna</b>	46	<i>Indian Entities</i>
<i>Date of birth:</i> March 11, 1975		<ul style="list-style-type: none"> <li>Anthem Biosciences Private Limited;</li> <li>Condis India Healthcare India Private Limited;</li> <li>Integrace Private Limited;</li> <li>KIMS AL Shifa Healthcare Private Limited; and</li> </ul>
<i>Designation:</i> Non-Executive Nominee Director		
<i>Present Address:</i> Villa #9, Adarsh Vista, Basavanagar Main Road, Vignana Nagar, Bengaluru 560 037		

Name, date of birth, designation, address, occupation, term, period of directorship and DIN of the Directors	Age (years)	Other directorships
Karnataka India		<ul style="list-style-type: none"> <li>KIMS Healthcare Management Limited.</li> </ul>
<i>Occupation:</i> Service		<i>Foreign Entities</i>
<i>Term:</i> Not liable to retire by rotation		Nil
<i>Period of directorship:</i> Since May 31, 2017		
<i>DIN:</i> 02849420		
<b>Elizabeth Lucy Chapman</b>	41	<i>Indian Entities</i>
<i>Date of birth:</i> July 20, 1980		<ul style="list-style-type: none"> <li>Camden Town Technologies Private Limited;</li> <li>Chalk Farm Ventures Private Limited;</li> <li>Indiamart Intermesh Limited; and</li> <li>Nahar Credits Private Limited.</li> </ul>
<i>Designation:</i> Non-Executive Independent Director		<i>Foreign Entities</i>
<i>Present Address:</i> Soona Mahal, CHS, 6th Floor, 143 Terrace Apartment, Marine Drives, Marine Lines, Mumbai 400 020 Maharashtra India		
<i>Occupation:</i> Business		<ul style="list-style-type: none"> <li>India Quotient Technologies Investment Limited (Mauritius);</li> <li>IndiaQuotient Capital (Mauritius); and</li> <li>Primrose Hill Ventures Pte. Ltd. (Singapore)</li> </ul>
<i>Term:</i> Period of five years from January 4, 2022 and not liable to retire by rotation		
<i>Period of directorship:</i> Since January 4, 2022		
<i>DIN:</i> 06459440		
<b>V.S Parthasarathy</b>	59	<i>Indian Entities</i>
<i>Date of birth:</i> November 1, 1962		<ul style="list-style-type: none"> <li>Allcargo Logistics Limited;</li> <li>Grassroot Trading for Women; and</li> <li>RUDI Multi Trading Company Limited.</li> </ul>
<i>Designation:</i> Non-Executive Independent Director		<i>Foreign Entities</i>
<i>Present Address:</i> 3404, Indiabulls Sky, Senapati Bapat Marg, Elphistone Road (West), Mumbai 400 013 Maharashtra India		<ul style="list-style-type: none"> <li>Allcargo Belgium N.V; and</li> <li>Ecuhold N.V.</li> </ul>
<i>Occupation:</i> Self employed		
<i>Term:</i> Period of five years from January 4, 2022 and not liable to retire by rotation		
<i>Period of directorship:</i> Since January 4, 2022		
<i>DIN:</i> 00125299		

### Brief profiles of the Directors

**Nupur Garg** is the Chairperson and Non-Executive Independent Director of our Company and has been on our Board since 2022. She holds a degree of bachelor's in commerce (honours course) from the University of Delhi and a degree of master in business administration from Massachusetts Institute of Technology. She has further completed a course on private equity and venture capital from the Harvard Business School. She is an associate member of the Institute of the Chartered Accountants of India. She has experience in the field of finance and private equity sectors. She was previously associated with organisations such as Price Waterhouse, Discovery Communications India and International Finance Corporation. Presently, she is associated with Small Industries Development Bank of India, Indigo Paints Limited, Kerala Infrastructure Fund Management Limited and WinPE Development Forum as a director.

**Raviganesh Venkataraman** is the Executive Director and the CEO of our Company and has been on our Board since 2019. He holds a degree of bachelor of engineering (production) and a master of management studies from the University of Bombay. He has over 27 years of experience across verticals. He was previously associated with

organizations such as Bharti Airtel Limited, Subhiksha Trading Services Limited, Coca Cola India Inc. and Titan Industries Limited. Prior to joining our Company, he was a director and a board member of Metro Cash and Carry India Private Limited.

**Dr. R Kishore Kumar** is the founder and Executive Director of our Company and has been on our Board since 2005. He holds a degree of bachelor of medicine and surgery from the Government Medical College Bellary, University of Gulbarga. He holds an additional degree of MD (PAED) and DCH (Paediatrics) from JJM Medical College, Davangere, Mysore University. He is also a member and Fellow of Royal College of Paediatrics and Child Health (FRCPCH), U.K. and a Fellow of Royal Australasian College of Physicians, Sydney, Australia (FRACP). He has completed the Managing Healthcare Delivery programme from the Harvard Business School, Boston USA. He has over 33 years of experience in the field of medicine and healthcare industry.

**Rohit M A** is the founder and the Executive Director of our Company and has been on our Board since 2006. He holds a degree of bachelor of engineering (computer science and engineering) from Visveswararajah Technological University Belgaum, Karnataka. He has completed the management program for entrepreneurs and family businesses conducted by NSRCEL at the Indian Institute of Management, Bangalore. He also holds a certificate of membership from the Institute of Directors. He has over 15 years of experience in the field of healthcare industry.

**Bharat Singh** is the Non-Executive Nominee Director of SCI Growth Investments II on the Board of our Company. He has been on our Board since 2019. He holds a bachelor's degree in commerce from University of Delhi. He is also a chartered accountant registered with the Institute of Chartered Accountants of India. He has over eight years of experience in private equity funds in India. He was previously associated with Pilani Soft Labs Private Limited (currently known as Ibibo Group Private Limited) as its chief finance officer, SBI Business Process Management Services Limited and Sequoia Capital India Advisors Private Limited. Presently he is associated with Sequoia Capital India LLP as their operating partner.

**Nitin Agarwal** is the Non-Executive Nominee Director of New Quest Asia Fund IV (Singapore) Pte. Ltd on the Board of our Company. He has been on our Board since 2021. He holds a degree of bachelor of technology in manufacturing science and engineering from the Indian Institute of Technology, Delhi. He holds a postgraduate diploma in management (PGDM) from Indian Institute of Management, Bangalore. He has approximately over 20 years of experience in the field of investment and other industries. He was previously associated with CLSA India Private Limited as their managing director. He has also worked with organisations like Motilal Oswal Private Equity and J.P Morgan. Presently he is associated with New Quest Advisors (India) LLP as their managing director.

**Satish Chander Subbanna** is the Non-Executive Nominee Director of True North Fund V LLP on the Board of our Company. He has been on our board since 2017. He holds a degree of bachelor of technology in mechanical engineering from the Indian Institute of Technology, Madras. He holds a post graduate diploma in management from the Indian Institute of Management, Calcutta. He was over 16 years of experience in the field of private equity funds. Presently he is associated with True North Managers LLP as a partner.

**Elizabeth Lucy Chapman** is the Non-Executive Independent Director of our Company. She has been on our Board since 2022. She holds a degree of bachelor of science in biology from the University of Edinburgh. She is a qualified Chartered Financial Analyst. She is the chief executing officer and co-founder of ZestMoney (Camden Town Technologies Private Limited). She has over 20 years of experience in the field of financial services. She was previously associated with organisations such as Goldman Sachs Wellcome Trust and Development Bank of Singapore. Presently, she is associated with Indiamart Intermesh Limited, Nahar Credits Private Limited, Primrose Hill Ventures Pte. Ltd, India Quotient Capital (Mauritius) and India Quotient Technologies Investments Limited as a director.

**V.S Parthasarathy** is the Independent Non-Executive Director of our Company. He has been on our Board since 2022. He holds a degree of bachelor's in commerce from the University of Gujarat. He is a fellow member of the Institute of the Chartered Accountants of India. He is also an associate of the Institute of Chartered Accountants England and Wales. He has over 30 years of experience across diverse functions and has dedicated more than 20 years of his career to Mahindra & Mahindra Limited. He was the president of mobility service sectors and a member of the group executive board of the Mahindra & Mahindra Limited. He was also the group chief financial officer and group chief information officer of Mahindra & Mahindra Limited. He has been the board members of several listed companies, which includes Tech Mahindra limited, Mahindra and Mahindra Financial Services Limited, CIE Automotive S.A, Punjab Tractors Limited and Mahindra Holidays and Resorts India. He is the recipient of many awards such as, BSE CIO Klub CIO of the year 2015 in the category of CIO Business Lead,

Lifetime Achievement Award by CiOL C-Change Awards (2015), Yes Bank-Business World Best CFO Awards-Hall of Fame Award (2018). He is the recipient of the Lifetime Achievement Award for his role as the Coach, Mentor and Entrepreneur and Ex-GCFO and President Mahindra Group, Member of GEB by India CFO Awards (2021). Presently he is associated with Allcargo Logistics Limited, RUDI Multi Trading Company, Grassroot Trading for Women, Allcargo Belgium N.V and Ecuhold N.V as a director.

### Relationship between the Directors and the Key Managerial Personnel

Except for Rohit M A who is the nephew of Dr. R Kishore Kumar's wife, none of our Directors and Key Managerial Personnel are related to each other.

### Terms of appointment and Remuneration of our Executive Directors

#### Raviganesh Venkataraman

Pursuant to an employment agreement dated April 17, 2019 ("**Employment Agreement**") Raviganesh Venkataraman was appointed as the CEO of our Company for a period of five years with effect from April 17, 2019. Thereafter, pursuant to a resolution passed by our Shareholders dated June 15, 2019, he was appointed as a Director of our Company. Pursuant to a board resolution dated January 4, 2022, and a shareholder's resolution dated January 14, 2022 he was appointed as the Executive Director and the CEO of the Company and his term was extended till June 14, 2024. As per the terms of the Employment Agreement and the increment letter dated May 1, 2021, and the board resolution dated January 4, 2022, our Executive Director and CEO is entitled to the following remuneration:

Particulars	Terms of remuneration per annum(in ₹ million)
Basic	7.63
House Rent Allowance	3.81
Special Allowance	7.63
Provident Fund	0.91
Gratuity	0.36
Driver Salary	0.63
Total amount per annum	21.01
Bonus	0% to up to a maximum of 40% on fixed pay depending on the performance and variable pay upto 60 % of fixed pay.

Further, he is entitled to receive stock options under the ESOP Plan 2013 and has as on date received options in our Company. For details, see "**Capital Structure – Employee Stock Option Scheme**" beginning on page 90.

Except the Employment Agreement, our Company has not entered into any contract appointing or fixing the remuneration of a Director in the two years preceding the date of this Draft Red Herring Prospectus.

#### Dr. R Kishore Kumar

Pursuant to a resolution passed by our Board on January 4, 2022, and a shareholders' resolution dated January 14, 2022, Dr. R Kishore Kumar has been designated as the Executive Director of our Company and is entitled to the following remuneration:

Particulars	Terms of remuneration per annum (in ₹ million)
Basic	5.62
House Rent Allowance	2.81
Special Allowance	5.62
Provident Fund	0.67
Gratuity	0.27
Total amount per annum	15.00
Car Facility	entitled to a new car worth upto ₹ 6 million once in every five years

#### Rohit M A

Pursuant to a resolution passed by our Board on January 4, 2022, and a shareholders' resolution dated January 14, 2022, Rohit M A has resigned from the position of the managing director of our Company and has been designated as the Executive Director of our Company, and is entitled to the following remuneration:

Particulars	Terms of remuneration (in ₹ million)
Basic	5.87
House Rent Allowance	2.93
Special Allowance	5.87
Provident Fund	0.02
Gratuity	0.28
Total remuneration per annum	15.00
Car Facility	entitled to a new car worth upto ₹ 6 million once in every five years

Gross remuneration paid to our Executive Directors during Fiscal 2021 are disclosed as below:

Name of the Director	Gross remuneration (in ₹ million)
Raviganesh Venkataraman	22.43
Dr. R Kishore Kumar	11.24
Rohit M A	11.75

### Payment or benefit to Non-Executive Directors of our Company

Our Non-Executive Nominee Directors are not entitled to receive any remuneration or compensation (including sitting fees) from our Company and accordingly no remuneration has been paid to our Non-Executive Nominee Directors in Fiscal 2021.

Our Non- Executive Independent Directors are entitled to receive a total remuneration of ₹ 2.50 million per annum as their sitting fees for attending meetings of our Board and committees. Further, our Non-Executive Independent Directors are entitled to reimbursements for their travel, hotel and other incidental expenses incurred in connection to attending meeting of our Board and committees. Since our Company did not have any Independent Director on the Board in Fiscal 2021, no remuneration was paid to Independent Directors in Fiscal 2021.

### Arrangement or understanding with major shareholders, customers, suppliers or others

Apart from Nitin Agarwal who was nominated to our Board by NewQuest Asia Fund IV (Singapore) Pte. Ltd, Bharat Singh who was nominated to our Board by SCI Growth Investments II and Satish Chander Subbanna who was nominated to our Board by True North Fund V LLP (formerly known as India Value Fund V LLP), none of our Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others. For details, please see “*History and Certain Corporate Matters – Details of Shareholders’ agreements and other material agreements*” on page 194.

### Bonus or profit sharing plan for the Directors

Our Company does not have a bonus or profit sharing plan for our Directors.

### Shareholding of the Directors

As per the Articles of Association, the Directors are not required to hold any qualification shares.

Except our Executive Director and CEO, Raviganesh Venkataraman who holds 0.33 % Equity Shares, our Executive Director, Dr. R Kishore Kumar who holds 39.02% Equity Shares and our Executive Director, Rohit M A who holds 2.49 % Equity Shares, none of the Directors hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Our Directors (excluding Independent Directors) may be deemed to be interested to the extent of options granted to them pursuant to ESOP Plan 2013. For details, see “*Capital Structure – Employee Stock Option Scheme*” beginning on page 90.

### Service contracts with the Directors

There are no service contracts entered into by the Directors with the Company which provide for benefits upon termination of employment, other than statutory benefits.

For details of employee stock options held by our Directors under the ESOP Plan 2013, see “*Capital Structure – Employee Stock Option Scheme*” on page 90.

## Contingent and deferred compensation payable to the Directors

There is no contingent or deferred compensation payable to the Directors.

## Interest of the Directors

All the Non-Executive Independent Directors may be deemed to be interested to the extent of commission, sitting fees and reimbursements, if any, payable to them for attending meetings of the Board or committees thereof and the Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to him by our Company. For further details, see “*-Terms of appointment and Remuneration of our Directors*” on page 200.

Some of the Directors may be interested to the extent of remuneration, paid to them, or the Equity Shares, held by them or held by the entities in which they are associated as partners or promoters, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer and any dividend, interest and other distributions payable in respect of such Equity Shares. Certain of our Directors may be deemed to be interested to the extent of options granted to them pursuant to ESOP Plan 2013. For details, see “*Capital Structure - Employee Stock Options Scheme*” beginning on page 90.

Our Non-Executive Nominee Directors may be deemed to be interested to the extent of the shareholding in our Company of the entities nominating them.

No sum has been paid or agreed to be paid to the Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/ her to become, or to qualify him/ her as, a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company. However, our Non-Executive Nominee Directors may be entitled to receive remuneration and other benefits in the ordinary course of business from affiliates of the entities nominating them.

Except as stated otherwise in “*Summary of this Offer Document – Summary of related party transactions*” on page 23, none of the Directors is related to the beneficiaries of loans, advances and sundry debtors of our Company.

There are no outstanding loans availed of by the Directors from our Company.

None of the Directors have any interest in any property acquired or proposed to be acquired of our Company and by our Company.

Except as stated in the section titled “*Summary of this Offer Document – Summary of related party transactions*” on page 23, our Directors do not have any other business interest in our Company.

None of the Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery, etc.

## Other Confirmations

None of the Directors is, or for the five years prior to the date of this Draft Red Herring Prospectus, has been on the board of directors of any listed company whose shares have been/were suspended from being traded on any of the stock exchanges, during his/her tenure.

None of the Directors has been or is a director on the board of directors of any listed company which has been /was delisted from any stock exchange, during his/her tenure.

## Changes in the Board during the last three years

The changes in the Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

Name of Director	Date of Change <sup>(1)</sup>	Reasons
Akash Malik	May 31, 2019	Resignation
Raviganesh Venkataraman	April 18, 2019	Appointment <sup>(2)</sup>

Name of Director	Date of Change <sup>(1)</sup>	Reasons
Ravi Shankar Venkataraman Ganapathy Agraaharam	July 25, 2019	Resignation
Bharat Singh	September 12, 2019	Appointment <sup>(3)</sup>
Praneet Singh	June 1, 2020	Resignation
Sumit Mohan Nadgir	July 28, 2020	Appointment <sup>(4)</sup>
Nitin Agarwal	July 6, 2021	Appointment <sup>(5)</sup>
Avnish Bajaj	July 6, 2021	Resignation
Elizabeth Lucy Chapman	January 4, 2022	Appointment <sup>(6)</sup>
Nupur Garg	January 4, 2022	Appointment <sup>(7)</sup>
V.S Parthasarthy	January 4, 2022	Appointment <sup>(8)</sup>
Sumit Mohan Nadgir	January 4, 2022	Resignation

<sup>(1)</sup> Does not include the regularisation by our shareholders or change in designation.

<sup>(2)</sup> Regularised as director pursuant to resolution passed by our shareholders on June 15, 2019

<sup>(3)</sup> Regularised as Nominee Director pursuant to resolution passed by our shareholders on September 30, 2019

<sup>(4)</sup> Regularised as Nominee Director pursuant to resolution passed by our shareholders on November 28, 2020

<sup>(5)</sup> Regularised as Nominee Director pursuant to resolution passed by our shareholders on July 14, 2021

<sup>(6)</sup> Regularised as Non-Executive Independent Director pursuant to resolution passed by our shareholders on January 14, 2022

<sup>(7)</sup> Regularised as Non-Executive Independent Director pursuant to resolution passed by our shareholders on January 14, 2022

<sup>(8)</sup> Regularised as Non-Executive Independent Director pursuant to resolution passed by our shareholders on January 14, 2022

## Borrowing powers

Pursuant to the Companies Act, 2013 the Memorandum and Articles of Association of our Company and regulations from time to time made by our Company in the General Meeting, the power to borrow moneys and/or create security vests in and is exercisable by the Directors and not by the Company in General Meeting and further that no restriction of any kind whatsoever have been imposed by the Articles and Memorandum of Association or the said regulations on the Director's power to borrow moneys and/or create security.

## Corporate governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares with the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and other applicable regulations of SEBI, in respect of corporate governance including in respect of the constitution of the Board and its committees thereof, and formulation and adoption of policies.

As on the date of this Draft Red Herring Prospectus, we have nine Directors on the Board, comprising three Executive Director and six Non-Executive Directors including three Independent Directors, of which two are women Directors including a Non-Executive Chairperson. In compliance with Section 152 of Companies Act, 2013, not less than two-thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

## Committees of the Board

Our Company has constituted the following mandatory committees of the Board as required under the SEBI Listing Regulations and the Companies Act, 2013:

- Audit Committee;
- Nomination and Remuneration Committee;
- Corporate Social Responsibility Committee;
- Stakeholders Relationship Committee;
- Risk Management Committee.

### Audit Committee

The Audit Committee was last re-constituted by the meeting of the Board held on January 4, 2022, The Audit Committee is in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

The members of the Audit Committee are:

- a) V.S Parthasarthy (*chairperson*);
- b) Elizabeth Lucy Chapman (*member*);
- c) Nupur Garg (*member*); and
- d) Rohit M A (*member*)

*Scope and terms of reference:* The terms of reference of the Audit Committee includes the following:

The Audit Committee shall have powers, including the following

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee;
- c) to obtain outside legal or other professional advice; and
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary, and
- e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations

The role of the Audit Committee shall include the following:

- a) oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
- b) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
- c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions; and
  - g) Modified opinion(s) in the draft audit report.
- e) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds 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 of directors of the Company to take up steps in this matter;
- g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;



- h) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed (*provided only Independent directors that are members of the Audit Committee shall approve related party transactions*);

**Explanation:** The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

- i) scrutiny of inter-corporate loans and investments;
- j) valuation of undertakings or assets of the Company, wherever it is necessary;
- k) evaluation of internal financial controls and risk management systems;
- l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) 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;
- n) discussion with internal auditors of any significant findings and follow up there on;
- o) 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;
- p) 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;
- q) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) reviewing the functioning of the whistle blower mechanism;
- s) monitoring the end use of funds raised through public offers and related matters;
- t) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- u) approval of appointment of Chief financial officer after assessing the qualifications, experience and background, etc. of the candidate
- v) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision; and
- w) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and
- x) carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations and as provided under the Companies Act, 2013 or any other applicable law, as and when amended from time to time

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 management;

- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses;
- e) The appointment, removal and terms of remuneration of the chief internal auditor; and
- f) Statement of deviations in terms of the SEBI Listing Regulations:
  - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations;
  - b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.

### ***Constitution of Nomination and Remuneration Committee***

The nomenclature of the compensation committee was changed to the Nomination and Remuneration Committee by the meeting of the Board held on January 4, 2022. The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently consists of:

- a) V.S Parthasarthy (*chairperson*);
- b) Nupur Garg (*member*); and
- c) Satish Chander Subbanna (*member*)

*Scope and terms of reference:* The terms of reference of the Nomination and Remuneration Committee includes the following:

- a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the “**Board**” or “**Board of Directors**”) a policy relating to the remuneration of the directors, key managerial personnel and other employees (“**Remuneration Policy**”);
- b) For every appointment of an independent director, evaluation of the balance of skills, knowledge and experience on the board of directors and on the basis of such evaluation, preparation of a description of the role and capabilities required of an independent director. The person recommended to the board of directors for appointment as an independent director will have the capabilities identified in such description. For the purpose of identifying suitable candidates, the committee may:
  - a. use the services of an external agencies, if required; and
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity;
- c) consider the time commitments of the candidates
- d) formulation of criteria for evaluation of independent directors and the Board;
- e) devising a policy on Board diversity and to whom the directors and employee shall report in case of any concern;
- f) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- g) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

- h) recommend to the board, all remuneration, in whatever form, payable to senior management;
- i) carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;
- j) The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that:
  - a. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals
- k) perform such functions as are required to be performed by the Nomination and Remuneration Committee under the SEBI (Share Based Employee Benefits) Regulations, 2014, including the following:
  - a) administering any ESOP Plans;
  - b) determining the eligibility of employees to participate under such plans;
  - c) granting options to eligible employees and determining the date of grant;
  - d) determining the number of options to be granted to an employee;
  - e) determining the exercise price under such plans; and
  - f) construing and interpreting such plans and any agreements defining the rights and obligations of the Company and eligible employees under such plans, and prescribing, amending and/or rescinding rules and regulations relating to the administration of such plans.
- l) frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including
  - a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable
- m) perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority

#### ***Corporate Social Responsibility Committee***

The Corporate Social Responsibility Committee was constituted by the meeting of the Board held on January 4, 2022. The Corporate Social Responsibility Committee is in compliance with Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee currently consists of:

- a) Dr. R Kishore Kumar (*chairperson*);
- b) Elizabeth Lucy Chapman (*member*); and
- c) Nitin Agarwal (*member*)

The Corporate Social Responsibility Committee is authorised to perform the following functions:

- a) formulate and recommend to the Board, a “Corporate Social Responsibility Policy” which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of Companies Act, 2013.
- b) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- c) monitor the corporate social responsibility policy of the Company and its implementation from time to time; and
- d) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time

#### ***Stakeholders Relationship Committee***

The Stakeholders Relationship Committee was constituted by the meeting of the Board held on January 4, 2022. The Stakeholders Relationship Committee is in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders Relationship Committee currently consists of:

- a) Nupur Garg (*chairperson*);
- b) Rohit M A (*member*);
- c) Dr. R Kishore Kumar (*member*);
- d) Satish Chander Subbanna (*member*); and
- e) Nitin Agarwal (*member*)

*Scope and terms of reference:* The Stakeholders Relationship Committee shall be responsible for, among other things, the following:

- a) resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- b) considering and looking into various aspects of the stakeholders, debenture holders and other security holders;
- c) giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
- d) issue of duplicate certificates and new certificates on split/consolidation/renewal, etc;
- e) review of measures taken for effective exercise of voting rights by shareholders;
- f) review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- g) review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- h) carrying out any other functions required to be carried out by the Stakeholders’ Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

### ***Risk Management Committee***

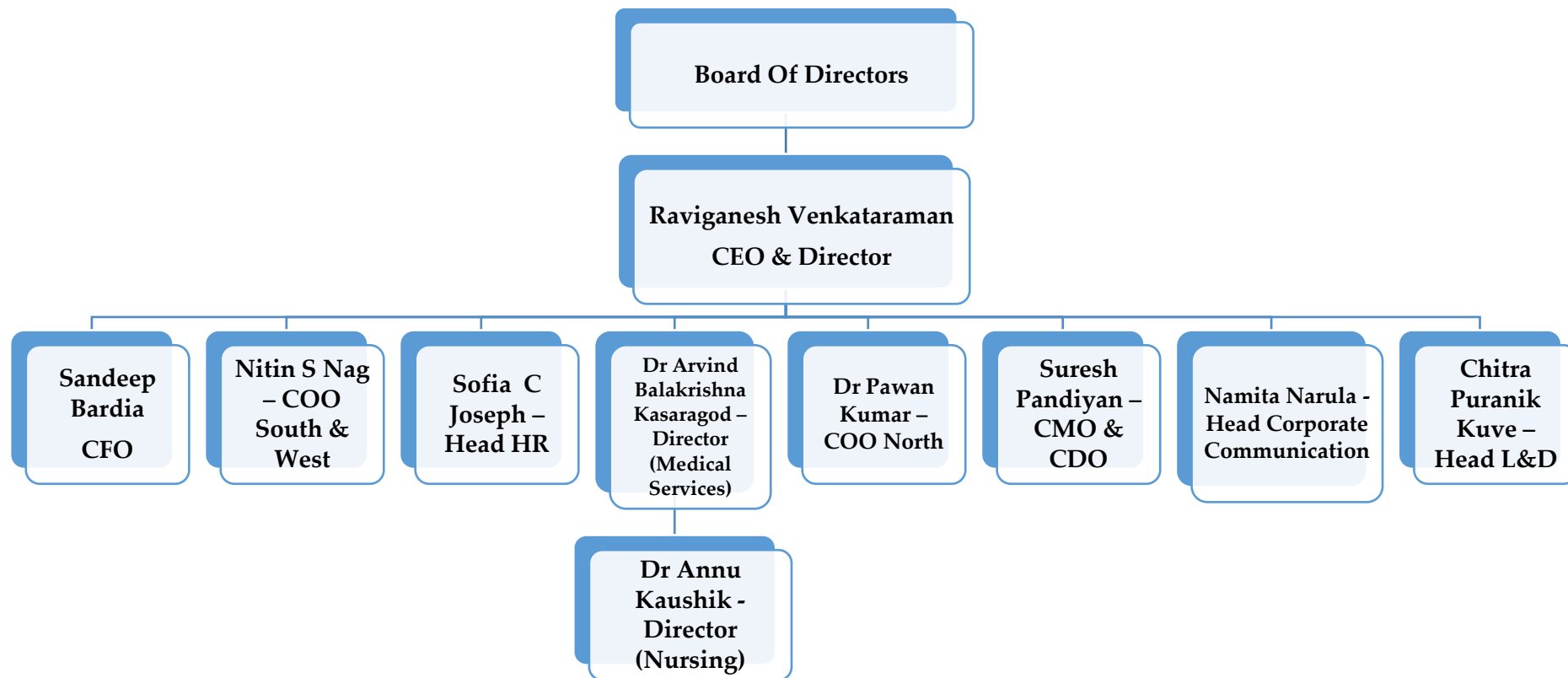
The Risk Management Committee was constituted by the meeting of the Board held on January 4, 2022. The Risk Management Committee is in compliance with Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee currently consists of:

- a) Rohit M A (*chairperson*);
- b) V.S Parthasarthy (*member*); and
- c) Sandeep Bardia (*member*)

*Scope and terms of reference:* The Risk Management Committee shall be responsible for, among other things, the following:

- a) to formulate a detailed risk management policy which shall include:
  - a) a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environmental social and governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b) measures for risk mitigation including systems and processes for internal control of identified risks.
  - c) business continuity plan.
- b) to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- c) to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- d) to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- e) to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- f) to implement and monitor policies and/or processes for ensuring cyber security;
- g) the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- h) any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

## Management Organisation Structure



## Key Managerial Personnel

In addition to Raviganesh Venkataraman, our Executive Director and CEO, Dr. R Kishore Kumar and Rohit M A, our Executive Directors, the details of the other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below. For details of Raviganesh Venkataraman, the Executive Director and Chief Executive Officer, see - “*Brief Profiles of the Directors*” on page 198.

**Sandeep Bardia** is the Chief Financial Officer of our Company. He has been with our Company since June 6, 2019. He is a qualified chartered accountant and a company secretary. Prior to joining our Company, he was associated with JSW Paints Private Limited as their chief financial officer. In the past, he has worked with organizations like Novartis India Limited, HDFC Standard Life Insurance Company, Walt Disney Company (India) Private Limited, Asian Paints Limited and Bharat Petroleum Corporation Limited. He has over 21 years of experience across industries and global multinational companies. During Fiscal 2021, he was paid a gross remuneration of ₹ 12.48 million.

**Madhusudhan P.** is the Company Secretary and Compliance Officer of our Company. He has been with our Company since January 16, 2019. He has a master of commerce and is a qualified company secretary. Prior to joining our Company, he was the company secretary at Skylark Mansions Private Limited. In the past, he has also worked with organisations such as John Distilleries Private Limited. He has over 13 years of experience in this field. During Fiscal 2021, he was paid a gross remuneration of ₹ 1.94 million.

**Nitin Nag** is the Chief Operating Officer- Region West and South of our Company. He has been with our Company since October 30, 2015. He holds a degree of bachelor in engineering from University of Bangalore, master in business administration from Symbiosis Centre for Distance Learning and an advanced management programme from the Indian Institute of Management, Bangalore. Prior to joining our Company, he was the chief operating officer of Manipal Ankur Healthcare Private Limited (andrology and reproductive services). In the past, he has also worked with organizations like Tech Mahindra Limited, Mphasis Limited and Samyog Software Private Limited. He has over 24 years of experience in the fields of healthcare and IT industries. During Fiscal 2021, he was paid a gross remuneration of ₹ 10.69 million.

**Dr. Pawan Kumar** is the Chief Operating Officer (Region North) of our Company. He has been with our Company since August 1, 2017. He holds a degree of bachelor of medicine and surgery with an MD in anaesthesia and has completed a post graduate programme in management from Indian School of Business. Prior to joining our Company, he was associated with Max Healthcare as general manager (hospital operations). In the past, he has worked with organizations such as Sanjay Gandhi Post Graduate Institute of Medical Sciences, National Institute of Mental Health and Neuro Sciences (Deemed University) Bangalore and Post Graduate Institute of Medical Education and Research. He has over 12 years of experience in the field of hospital operations. During Fiscal 2021, he was paid a gross remuneration of ₹ 8.88 million.

**Dr. Arvind Balakrishna Kasaragod** is the Director of Medical Services (India) of our Company. He has been with our Company since October 18, 2016. He holds a degree of bachelor of medicine from Madras Medical College, University of Madras. He is the member of Royal Colleges of Physicians of the United Kingdom and is a Diplomate of the American Board of Pediatrics. He is also a fellow in Pediatric Critical Care. Prior to joining our Company, he was associated with Columbia Asia Referral Hospital as its chief of medical services and consultant pediatrics. He has over 26 years of experience in the field of healthcare industry. During Fiscal 2021, he was paid a gross remuneration of ₹ 8.82 million.

**Sofia Joseph** is the Head of Human Resources vertical of our Company. She has been with our Company since April 27, 2016. She has completed an executive general management programme from the Indian Institute of Management, Bangalore. Prior to joining our Company, she was a senior manager (human resources department) at Fortis Hospitals Limited. In the past, she has worked with organizations such as Macmillan India Limited, Home Solutions Retail (India) Limited and Imbex Marketing Private Limited. She has over 18 years of experience across healthcare, software and retail industries. During Fiscal 2021, she was paid a gross remuneration of ₹ 3.03 million.

**Suresh Pandiyan** is the Chief Digital Officer and Chief Marketing Officer of our Company. He has been with our Company since October 12, 2018. He holds a degree of bachelor in engineering and has completed a post graduate programme in management from the Indian Institute of Management, Ahmedabad. Prior to joining our Company, he was the associate director of ANI Technologies Private Limited, fleet business for Ola (Ola Fleet Technologies Private Limited). In the past, he has worked with Engineers India Private Limited and retail brands like Adidas India Marketing Private Limited, Nokia India Sales Private Limited (subsidiary of Microsoft Mobile

Oy). He has over 12 years of experience in the field of operations. During Fiscal 2021, he was paid a gross remuneration of ₹ 6.04 million.

**Namita Narula** is the Head (Corporate Communication) of our Company. She has been with our Company since November 6, 2018. She has a master of business administration from Guru Jambheshwar University of Science and Technology, Hisar Haryana and a master of mass communication from Guru Govind Singh Indrapastha University. Prior to joining our Company, she was an account director at Edelman India Private Limited. In the past, she has worked with organizations such as Weber Shandwick Private Limited and Via Media Health. She has over 12 years of experience in the field of public relations. During Fiscal 2021, she was paid a gross remuneration of ₹ 2.31 million.

**Chitra Puranik Kuve** is the Head of Learning and Development at our Company. She has been with our Company since July 1, 2019. She holds a degree of bachelor of engineering from Visveswraiah Technological University Belgaum, Karnataka and has completed a post graduate diploma in human resource management from NMIMS (Deemed to be) University. Prior to joining our Company, she was the founder of Trinetra Growth Consultancy. In the past, she has worked with organizations like Hala Associates, Renga Foundation, Prerana (non-profit society) and Aikya NGO. She has over 13 years of experience across diverse fields like manufacturing, IT and NGOs. During Fiscal 2021, she was paid a gross remuneration of ₹ 2.19 million.

**Dr. Annu Kaushik** is the Director of Nursing at our Company. She has been with our Company since December 11, 2019. She has completed her master of nursing and a degree of doctor of philosophy in nursing. Prior to joining our Company, she was associated with Columbia Asia Hospitals Private Limited as their general manager (nursing quality and training). In the past, she has also worked with other organizations such as Fortis Healthstaff Limited, Max Healthstaff International Limited, Holy Family Hospital and Maulana Azad Medical College. She has over 21 years of experience in the field of healthcare industry. During Fiscal, 2021, she was paid a gross remuneration of ₹ 5.80 million.

#### **Status of the Key Managerial Personnel**

All the Key Managerial Personnel are permanent employees of our Company.

#### **Relationship among the Key Managerial Personnel**

Other than Dr. R Kishore Kumar and Rohit M A, none of the Key Managerial Personnel are related to each other.

#### **Bonus or profit sharing plan for the Key Managerial Personnel**

There is no profit sharing plan for the Key Managerial Personnel offered by our Company.

#### **Shareholding of the Key Managerial Personnel**

Except for our Executive Director and CEO Raviganesh Venkataraman who holds 0.33 % Equity Shares, none of the Key Managerial Personnel hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

#### **Service Contracts with the Key Managerial Personnel**

Except for the employment agreement dated April 17, 2019, entered by and between our Company and our CEO and Executive Director, Raviganesh Venkataraman, the Key Managerial Personnel are governed by the terms of their appointment letters and have not entered into any other service contract with our Company. No officer of our Company, including the Key Managerial Personnel, is entitled to any benefit upon termination of employment or retirement, other than statutory benefits, and to the extent of their interest in the employee stock options that have been granted or may be granted to them from time to time under the ESOP Plan 2013 and other employee stock option schemes formulated by our Company from time to time.

#### **Interest of the Key Managerial Personnel**

Other than as disclosed in “– *Interest of the Directors*” on page 202 the Key Managerial Personnel do not have any interest in our Company other than to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them, if any. Our Key Managerial Personnel may be interested to the extent of the employee stock options that have been granted or may be granted to them from time to time under the ESOP Plan 2013 and other employee stock option schemes formulated by our



Company from time to time. For details of the ESOP Plan 2013 of our Company, see “*Capital Structure – Employee Stock Option Scheme*” on page 90.

There are no outstanding loans availed of by the Key Managerial Personnel from our Company.

#### **Arrangements and understanding with major shareholders, customers, suppliers or others**

None of the Key Managerial Personnel have been selected pursuant to any arrangement or understanding with the major Shareholders, customers, suppliers or any other person.

#### **Changes in the 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 set forth below, other than changes to our Managing Director, which is disclosed under – “*Changes in the Board during the last three years*” on page 202.

<b>Name</b>	<b>Date</b>	<b>Reason</b>
Ajit Bistangoudar	December 31, 2018	Resignation
Akash Malik	May 31, 2019	Resignation
Ameena Iqbal	September 3, 2019	Resignation
Partyush Srivastava	August 28, 2020	Resignation
Chaitanya Shravanth	September 30, 2021	Resignation

#### **Employee stock option scheme**

The details of the options granted to our Key Managerial Personnel under ESOP Plan 2013 granted to our Key Managerial Personnel as on the date of this Draft Red Herring Prospectus, are set out below:

<b>Name and Designation</b>	<b>No. of Options Granted</b>	<b>No. of Options Lapsed/ Cancelled</b>	<b>No. of Options Exercised</b>	<b>No. of Options Outstanding</b>
Raviganesh Venkataraman	309,008	-	46,372	262,636
Sandeep Bardia	115,390	-	-	115,390
Nitin S Nag	74,240	-	-	74,240
Pawan Kumar	68,788	-	-	68,788
Sofia Joseph	13,320	-	-	13,320
Arvind Balakrishna Kasaragod	57,188	-	-	57,188
Suresh Pandiyan	52,094	-	-	52,094
Namita Narula	8,370	-	-	8,370
Chitra Puranik Kuve	8,440	-	-	8,440

For details of the ESOP Plan 2013 of our Company, see “*Capital Structure – Employee Stock Option Scheme*” on page 90.

#### **Payment or Benefit to Key Managerial Personnel of our Company**

No non-salary amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

## OUR PRINCIPAL SHAREHOLDERS

Our Company does not have an identifiable promoter in terms of the SEBI ICDR Regulations and the Companies Act. Consequently, there are no members forming part of the ‘promoter group’ in terms of the SEBI ICDR Regulations.

### Principal Shareholders

1. *Shareholders who control 15.00% or more of the voting rights in our Company*

As on the date of this Draft Red Herring Prospectus, except for NewQuest and True North Fund V LLP, no other Shareholder controls 15.00% or more of the voting rights in our Company on a fully diluted basis. For further details, see “*Capital Structure – Notes to the Capital Structure – Details of shareholding of the major Shareholders of our Company*” and “*History and Certain Corporate Matters – Details of Shareholders’ agreements and other material agreements*” on pages 88 and 194, respectively.

2. *Persons who have the right to appoint director(s) on our Board*

Pursuant to the Amendment Agreement and subject to the approval of the Shareholders by way of a special resolution in the first general meeting convened after the listing and trading of our Equity Shares on the Stock Exchanges, and so long as NewQuest, SCI Growth Investments II, Indium V (Mauritius) Holdings Limited and True North Fund V LLP, respectively, hold at least 5.00% (five per cent.) of the Equity Shares on a fully diluted basis, each shall be entitled to nominate a Director on the Board (“**Nominee Director Threshold**”). However, each Investor shall cease to have the right to appoint its respective nominee Director under the Amendment Agreement once its shareholding falls below the Nominee Director Threshold.

For details, see “*Capital Structure*”, “*History and Certain Corporate Matters – Summary of key agreements – Key terms of other subsisting shareholder’s agreements*”, “*Our Management*” and “*Description of Equity Shares and Terms of Articles of Association*” on pages 82, 195, 196 and 368, respectively.

## **GROUP COMPANIES**

Pursuant to the Materiality Policy passed by our Board on February 7, 2022, our Board has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Draft Red Herring Prospectus, Group Companies of our Company shall include (i) companies (other than the subsidiary) with which there were related party transactions, in accordance with Ind AS 24, as disclosed in the Restated Financial Information, and (ii) companies as considered material by the Board pursuant to the Materiality Policy.

In relation to (ii) above, according to the Materiality Policy, for the purpose of disclosure in this Draft Red Herring Prospectus, companies with which there were transactions in the most recent period to be included in this Draft Red Herring Prospectus, which individually or in the aggregate, exceed 10% of the total revenue of the Company for such recent period shall be considered material to be disclosed as a group company in this Draft Red Herring Prospectus.

Accordingly, based on the parameters outlined above, our Company does not have any Group Company.

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act, 2013.

According to the dividend policy adopted by our Board on January 31, 2022, the quantum of dividend to be distributed, if any, will depend on a number of parameters, including internal factors such as net profit earned during the relevant financial year, cash flow of our Company, funds required for business diversification or expansion plans, working capital requirements and external factors such as the economic environment, government policies and cost of funds, among others. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see “*Financial Indebtedness*” and “*Risk Factors – We cannot assure payment of dividends on the Equity Shares in the future. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*” beginning on pages 276, and 57 respectively.

Our Company has not declared or paid any dividend on our Equity Shares or CCPS during the last three Fiscals and since September 30, 2021 until the date of this Draft Red Herring Prospectus.

**SECTION V FINANCIAL INFORMATION**

**FINANCIAL STATEMENTS**

*[This page has been intentionally left blank]*

## **INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION**

The Board of Directors

Kids Clinic India Limited (formerly known as Kids Clinic India Private Limited)

Dear Sirs,

1. We have examined, as appropriate (refer paragraph 5 and 6 below), the attached Restated Consolidated Financial Information of Kids Clinic India Limited (formerly known as Kids Clinic India Private Limited) (the "Company" or the "Issuer") and its subsidiary (together referred to as "Group"), comprising the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2021 and 2020 and as at March 31, 2021, 2020 and 2019, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Cash Flow Statement, the Restated Consolidated Statement of Changes in Equity for the six month periods ended September 30, 2021 and 2020 and for the years ended March 31, 2021, 2020 and 2019, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on February 07, 2022, for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 2 to the Restated Consolidated Financial Information. The responsibility of the respective Board of Directors of the companies included in the Group includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.
3. We have examined such Restated Consolidated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated November 29, 2021 in connection with the proposed IPO of equity shares of the Issuer;
  - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from:

- a) the audited Interim Special Purpose Consolidated Financial Statements of the Group as at and for the six month period ended September 30, 2021 prepared in accordance with the recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder, as amended and other accounting principles generally accepted in India (the "Interim Special Purpose Consolidated Financial Statements"), which have been approved by the Board of Directors at their meeting held on February 07, 2022.
- b) the audited interim consolidated financial statements of the Group as at and for the six month period ended September 30, 2020 prepared in accordance with the Ind AS 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder, as amended and other accounting principles generally accepted in India (the "Interim Consolidated Financial Statements"), which have been approved by the Board of Directors at their meeting held on January 31, 2022.
- c) the audited consolidated financial statements of the Group as at and for the years ended March 31, 2021, 2020 and 2019, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with relevant rules issued thereunder, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on July 27, 2021, November 10, 2020, and September 12, 2019, respectively.

5. For the purpose of our examination, we have relied on:

- a) Auditor's Report issued by us dated February 07, 2022 on the Interim Special Purpose Consolidated Financial Statements of the Company as at and for the six-month period ended September 30, 2021 as referred in paragraph 4(a) above.
- b) Auditor's Report issued by the Previous Auditors dated January 31, 2022, July 27, 2021, November 10, 2020 and September 12, 2019 on the Interim Consolidated Financial Statements / consolidated financial statements of the Group as at and for the period/years ended September 30, 2020, March 31, 2021, 2020 and 2019 respectively, as referred in paragraph 4(b) & 4(c) above.

The Auditor's Report on the Interim Consolidated Financial Statements of the Group referred to in paragraph 4(b) and the Consolidated Financial Statements of the Group referred to in paragraph 4(c), included the following Emphasis of Matter paragraph, which have been reproduced below:

- i. For six-month period ended September 30, 2020:

We draw your attention to Note 2.4 to the respective interim consolidated financial statements, which describes the management's evaluation of Covid-19 impact on the future business operations and future cash flows of the Group. In view of the uncertain economic conditions, the management's evaluation of the impact on the subsequent

periods is highly dependent upon conditions as they evolve. Our opinion is not modified in respect of this matter.

ii. For the year ended March 31, 2021:

We draw your attention to Note 2.4 to the respective consolidated financial statements, which describes the management's evaluation of Covid-19 impact on the future business operations and future cash flows of the Group. In view of the uncertain economic conditions, the management's evaluation of the impact on the subsequent periods is highly dependent upon conditions as they evolve. Our opinion is not modified in respect of this matter.

iii. For the year ended March 31, 2020:

We draw your attention to Note 2.4 to the respective consolidated financial statements, which describes the management's evaluation of Covid-19 impact on the future business operations and future cash flows of the Group. In view of the uncertain economic conditions, the management's evaluation of the impact on the subsequent periods is highly dependent upon conditions as they evolve. Our opinion is not modified in respect of this matter.

The audits for the six month period ended September 30, 2020 and for financial years ended March 31, 2021, 2020 and 2019, were conducted by the Company's previous auditors, and accordingly reliance has been placed on the restated consolidated statement of assets and liabilities and the restated consolidated statement of profit and loss, restated consolidated statement of cash flows and restated consolidated statement of changes in equity, the summary of significant accounting policies, and other explanatory information (collectively, the "Previous Restated Consolidated Financial Information") examined by them for the said years.

The examination report included for the said period/years is based solely on the report submitted by the Previous Auditors. They have also confirmed that the Previous Restated Consolidated Financial Information:

- i. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the six-month period ended September 30, 2020 and the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six-month period ended September 30, 2021;
- ii. there are no qualifications in the auditors' reports on the consolidated audited financial statements of the Group as at and for the six-month period ended September 30, 2020 and as at and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 which require any adjustments to the Restated Consolidated Financial Information; and
- iii. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

6. As indicated in our report referred above:

- a. we did not audit the interim financial statements of a subsidiary whose share of total assets, total revenues (including other income), net cash inflows / (outflows) included in the Interim Special Purpose Consolidated Financial Statements as at and for the six month period ended September 30, 2021, is tabulated below, which have been audited by other



auditor, and whose report have been furnished to us by the Company's management and our opinion on the Interim Special Purpose Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the report of the other auditor:

(Rs in Million)	
<b>Particulars</b>	<b>As at / for the Six-month period ended September 30, 2021</b>
Total assets	143.64
Total revenues (including other income)	120.09
Net cash inflow	10.07

Our opinion on the Interim Special Purpose Consolidated Financial Statements is not modified in respect of this matter.

These other auditors of the subsidiary, as mentioned above, have examined the Restated Financial Information and have confirmed that the Restated Financial Information:

- (i) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the six-month period ended September 30, 2020 and in the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six-month period ended September 30, 2021;
- (ii) there are no qualifications in the auditors' reports on the audited financial statements of the Company as at and for the six-month periods ended September 30, 2021 and September 30, 2020 and as at and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 which require any adjustments to the Restated Financial Information.
- (iii) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. Based on examination report dated February 07, 2022, provided by the Previous Auditors, the audit reports on the consolidated financial statements issued by the Previous Auditors included following other matter:

- a) We did not audit financial statements and other financial information, in respect of one subsidiary whose financial statements include total assets, total revenues and net cash inflows/(outflows) included in the consolidated financial statements of the group, for the relevant years is tabulated below:

(Rs in million)				
<b>Particulars</b>	<b>As at / for the six month period ended September 30, 2020</b>	<b>As at / for the year ended March 31, 2021</b>	<b>As at / for the year ended March 31, 2020</b>	<b>As at / for the year ended March 31, 2019</b>
Total assets	61.668	110.175	48.490	35.249
Total revenues	41.861	146.264	70.823	45.305
Net cash inflows / (outflows)	2.666	(1.924)	(5.728)	2.787

These financial statements and other financial information have been audited by other firms of Chartered Accountants (the "Other Auditors"), whose reports have been furnished to us by the management and our opinion in so far as it relates to the amounts included in the financial statements referred to in paragraphs 4(b) and 4(c) above are based solely on the reports of such other auditors. Our reports are not modified in respect of the above matter with respect to our reliance on the work done and the reports of such other auditors.

The Other Auditors have examined the Restated Financial Information of the subsidiary company for the six-month period ended September 30, 2020 and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019. The Other Auditors have also confirmed vide their examination report dated January 28, 2022 that the Restated Financial Information of the subsidiary company:

- i. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the six-month period ended September 30, 2020 and the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed for the six-month period ended September 30, 2021.
  - ii. there are no qualifications in the auditors' reports on the audited financial statements of the subsidiary as at and for the six-month period ended September 30, 2020 and as at and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 which require any adjustments to the Restated Financial Information.; and
  - iii. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
8. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the Previous Auditors and other auditors for the respective period/years as per paragraph 5(b) and 6(a) above, we report that the Restated Consolidated Financial Information:
  - a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the six-month period ended September 30, 2020 and in the financial years ended March 31, 2021, 2020 and 2019 to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the six-month period ended September 30, 2021;
  - b. do not require any adjustment for modification as there is no modification in the underlying audit reports; and
  - c. have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
10. The Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 5 above.

11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 008072S)

**Jaideep S. Trasi**  
Partner  
(Membership No. 211095)  
UDIN: 22211095AATKFQ9820

Place: Bengaluru  
Date: February 7, 2022

## Restated consolidated statement of assets and liabilities

Particulars	Note	As at				
		30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
<b>Assets</b>						
<b>Non-current assets</b>						
Property, plant and equipment	3	2,422.23	2,343.53	2,381.53	2,369.81	2,591.08
Right-of-use assets	7	3,153.20	3,415.96	2,355.65	2,367.45	2,485.44
Capital work-in-progress	4	375.40	13.12	19.87	95.71	-
Goodwill on consolidation	5(a)	5.37	5.37	5.37	5.37	5.37
Other Intangible assets	5(b)	13.44	15.92	18.87	21.55	11.95
Intangible assets under development	6	-	-	-	-	11.23
Financial assets						
(i) Other financial assets	9	257.46	332.70	299.88	292.88	183.36
Deferred tax assets (net)	31	425.58	424.69	424.78	424.52	354.99
Income tax Assets (net)	11	110.11	90.92	109.08	91.56	157.74
Other non-current assets	10	307.15	48.42	25.57	45.72	28.67
<b>Total non-current assets</b>		<b>7,069.94</b>	<b>6,690.63</b>	<b>5,640.60</b>	<b>5,714.57</b>	<b>5,829.83</b>
<b>Current assets</b>						
Inventories	12	167.22	80.87	79.80	115.42	59.39
Financial assets						
(i) Investments	8	85.60	60.48	115.19	15.06	172.06
(ii) Trade receivables	14	210.55	130.64	130.34	105.39	71.07
(iii) Cash and cash equivalents	15	143.80	50.69	31.29	30.79	44.26
(iv) Other Bank balances	15A	10.64	-	-	-	-
(v) Loans	13	6.27	2.50	3.52	3.54	1.81
(vi) Other financial assets	9	48.62	29.37	38.68	33.94	36.24
Income tax Assets (net)	11	-	-	-	105.52	-
Other current assets	10	90.13	37.18	52.65	33.00	23.19
<b>Total current assets</b>		<b>762.83</b>	<b>391.73</b>	<b>451.47</b>	<b>442.66</b>	<b>408.02</b>
<b>Total assets</b>		<b>7,832.77</b>	<b>7,082.36</b>	<b>6,092.07</b>	<b>6,157.23</b>	<b>6,237.85</b>
<b>Equity</b>						
Equity share capital	16	66.93	66.19	65.94	65.94	65.94
Instruments entirely equity in nature	16	822.35	673.84	673.84	673.84	673.84
Other equity	17	1,355.44	1,298.24	1,417.54	1,595.31	1,669.88
<b>Equity attributable to owners of the Company</b>		<b>2,244.72</b>	<b>2,038.27</b>	<b>2,157.32</b>	<b>2,335.09</b>	<b>2,409.66</b>
Non-controlling interest		19.72	16.35	13.10	12.09	9.88
<b>Total equity</b>		<b>2,264.44</b>	<b>2,054.62</b>	<b>2,170.42</b>	<b>2,347.18</b>	<b>2,419.54</b>
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
Financial liabilities						
(i) Borrowings	18	635.12	353.10	300.39	357.22	356.28
(ii) Lease liabilities	7	3,301.69	3,459.15	2,413.37	2,393.36	2,586.90
(iii) Other financial liabilities	19	6.16	2.21	5.65	5.82	11.95
Provisions	22	1.63	1.37	1.12	0.95	0.68
<b>Total non-current liabilities</b>		<b>3,944.60</b>	<b>3,815.83</b>	<b>2,720.53</b>	<b>2,757.35</b>	<b>2,955.81</b>
<b>Current Liabilities</b>						
Financial liabilities						
(i) Borrowings	18	113.87	108.64	189.28	169.66	122.97
(ii) Lease liabilities	7	325.08	263.17	221.26	185.18	149.48
(iii) Trade payables	20					
Total outstanding dues of micro enterprises and small enterprises		1.07	0.96	0.33	1.40	0.98
Total outstanding dues of creditors other than micro enterprises and small enterprises		606.55	497.52	473.54	396.64	285.78
(iv) Other financial liabilities	19	228.10	85.82	67.84	84.97	109.31
Other current liabilities	21	199.29	124.68	123.73	110.75	109.65
Provisions	22	149.77	131.12	125.14	104.10	84.33
<b>Total current liabilities</b>		<b>1,623.73</b>	<b>1,211.91</b>	<b>1,201.12</b>	<b>1,052.70</b>	<b>862.50</b>
<b>Total liabilities</b>		<b>5,568.33</b>	<b>5,027.74</b>	<b>3,921.65</b>	<b>3,810.05</b>	<b>3,818.31</b>
<b>Total equity and liabilities</b>		<b>7,832.77</b>	<b>7,082.36</b>	<b>6,092.07</b>	<b>6,157.23</b>	<b>6,237.85</b>

The accompanying notes 1 to 46 are an integral part of the Restated Consolidated Financial Information

In terms of our report attached

For Deloitte Haskins &amp; Sells

Chartered Accountants

ICAI Firm registration number: 008072S

For and on behalf of the Board of Directors:

Kids Clinic India Limited (formerly known as Kids Clinic India Private Limited )

Jaideep S Trasi

Partner

Membership no.: 211095

Raviganesh Venkataraman

CEO &amp; Executive Director

DIN No: 07336611

Rohit M A

Executive Director

DIN No: 02501034

Madhu Sudhan P

Company Secretary

Sandeep Bardia

Chief Financial Officer

Bengaluru: February 07, 2022

Bengaluru: February 07, 2022

**Restated Consolidated Financial Information**  
**(Amount in ₹ millions, except as otherwise stated)**
**Restated consolidated statement of profit and loss**

Particulars	Note	For six months period ended		For the year ended		
		30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
<b>Income</b>						
Revenue from operations	23	3,716.47	2,602.60	5,545.86	5,163.04	4,181.82
Other income	24	39.72	65.83	119.79	96.88	101.90
<b>Total income</b>		<b>3,756.19</b>	<b>2,668.43</b>	<b>5,665.65</b>	<b>5,259.92</b>	<b>4,283.72</b>
<b>Expenses</b>						
Cost of materials consumed	25	552.67	248.45	493.96	386.60	328.19
Purchase of stock-in-trade	26A	271.63	206.34	467.71	466.45	374.56
Changes in inventory of stock-in-trade	26B	(4.84)	18.35	14.33	(22.06)	0.01
Professional fees to consultant doctors		1,012.23	785.56	1,677.57	1,637.32	1,367.56
Employee benefits expense	27	647.86	568.99	1,121.58	1,010.85	888.44
Finance costs	28	264.30	205.15	424.61	420.76	426.43
Depreciation and Amortisation expense	29	468.69	349.93	724.12	678.01	651.81
Other expenses	30	640.46	468.29	1,085.92	1,045.42	993.51
<b>Total expenses</b>		<b>3,853.00</b>	<b>2,851.06</b>	<b>6,009.80</b>	<b>5,623.35</b>	<b>5,030.51</b>
<b>Restated loss before tax for the period / year</b>		<b>(96.81)</b>	<b>(182.63)</b>	<b>(344.15)</b>	<b>(363.43)</b>	<b>(746.79)</b>
<b>Tax expense / (credit)</b>	31					
Current tax		3.56	1.00	3.51	1.53	2.41
Deferred tax		(1.78)	(0.67)	(0.58)	(68.75)	(94.47)
<b>Total tax expense</b>		<b>1.78</b>	<b>0.33</b>	<b>2.93</b>	<b>(67.22)</b>	<b>(92.06)</b>
<b>Restated loss after tax for the period / year</b>		<b>(98.59)</b>	<b>(182.96)</b>	<b>(347.08)</b>	<b>(296.21)</b>	<b>(654.73)</b>
<b>Other comprehensive income</b>						
Items that will not be reclassified to profit or loss						
Remeasurement gains/(losses) on the defined benefit plans		3.08	1.35	1.37	(2.67)	(6.51)
Income tax relating to items that will not be reclassified to profit or loss		(0.89)	(0.40)	(0.40)	0.77	2.03
Items that will be reclassified to profit or loss		-	-	-	-	-
Income tax relating to items that will be reclassified to profit or loss		-	-	-	-	-
<b>Restated other comprehensive income / (loss) for the period / year ('OCI')</b>		<b>2.19</b>	<b>0.95</b>	<b>0.97</b>	<b>(1.90)</b>	<b>(4.48)</b>
<b>Restated total comprehensive income / (loss) for the period / year [comprising loss and OCI]</b>		<b>(96.40)</b>	<b>(182.01)</b>	<b>(346.11)</b>	<b>(298.11)</b>	<b>(659.21)</b>
<b>Restated loss after tax for the period / year</b>						
Attributable to:						
Equity holders of the parent		(101.99)	(183.97)	(351.34)	(298.35)	(657.71)
Non-controlling interests		3.40	1.01	4.26	2.14	2.98
<b>Restated other comprehensive income / (loss) for the period / year ('OCI')</b>						
Attributable to:						
Equity holders of the parent		2.22	0.95	0.97	(1.90)	(4.48)
Non-controlling interests		(0.03)	-	-	-	-
<b>Restated total comprehensive income / (loss) for the period / year [comprising loss and OCI]</b>						
Attributable to:						
Equity holders of the parent		(99.77)	(183.02)	(350.37)	(300.25)	(662.19)
Non-controlling interests		3.37	1.01	4.26	2.14	2.98
<b>Earnings/ (Loss) per equity share of ₹ 5/- each (EPS)*</b>						
<b>[Refer note 45 (ii)]</b>						
Basic EPS [₹ per share]	32	(2.38)	(4.34)	(8.30)	(7.05)	(15.67)
Diluted EPS [₹ per share]	32	(2.38)	(4.34)	(8.30)	(7.05)	(15.67)

\* Earnings per equity share for September 30, 2021 and September 30, 2020 is not annualised.

The accompanying notes 1 to 46 are an integral part of the Restated Consolidated Financial Information

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

ICAI Firm registration number: 008072S

**For and on behalf of the Board of Directors:****Kids Clinic India Limited (formerly known as Kids Clinic India Private Limited )****Jaideep S Trasi**

Partner

Membership no.: 211095

**Raviganesh Venkataraman**

CEO &amp; Executive Director

DIN No: 07336611

**Rohit M A**

Executive Director

DIN No: 02501034

**Madhu Sudhan P**

Company Secretary

**Sandeep Bardia**

Chief Financial Officer

Bengaluru: February 07, 2022

Bengaluru: February 07, 2022

Restated consolidated statement of changes in equity

A. <u>Equity share capital</u>		As at				
Particulars		30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Equity shares of ₹ 10/- each [Refer note 45 (ii)]						
Opening balance		66.19	65.94	65.94	65.94	65.94
Add: issued during the period / year		0.74	0.25	-	-	-
Closing balance		66.93	66.19	65.94	65.94	65.94

B. Instruments entirely equity in nature						
Non-Cumulative Compulsorily Convertible Preference Shares ('NCCCPs')						
Particulars		As at				
		30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Opening balance		673.84	673.84	673.84	673.84	569.62
Add: issued during the period / year		148.51	-	-	-	104.22
Closing balance		822.35	673.84	673.84	673.84	673.84

C. <u>Other equity</u>								
Particulars	Reserve and surplus attributable equity shareholders of parent					Total other equity attributable to owners	Non-controlling interest	Total
	Other contributions by owners	Securities premium	Shared based payment	General reserve	Retained earnings			
Balance as at 1-Apr-2021	42.46	4,135.55	46.27	3.67	(2,929.71)	1,298.24	16.35	1,314.59
Issues of shares during the period	-	165.38	(2.86)	-	-	162.52	-	162.52
Less: Share issue expenses	-	(8.36)	-	-	-	(8.36)	-	(8.36)
Restated loss for the period	-	-	-	-	(101.99)	(101.99)	3.40	(98.59)
Remeasurement gains/(losses) on the defined benefit plans	-	-	-	-	2.22	2.22	(0.03)	2.19
Compensation expense for share options granted during the period	-	-	2.81	-	-	2.81	-	2.81
Balance as at 30-Sep-2021	42.46	4,292.57	46.22	3.67	(3,029.48)	1,355.44	19.72	1,375.16
Balance as at 1-Apr-20	-	4,135.55	38.73	0.37	(2,579.34)	1,595.31	12.09	1,607.40
Other contributions by owners (refer note 17(c))	42.46	-	-	-	-	42.46	-	42.46
Restated loss for the year	-	-	-	-	(351.34)	(351.34)	4.26	(347.08)
Remeasurement gains/(losses) on the defined benefit plans	-	-	-	-	0.97	0.97	-	0.97
Compensation expense for share options granted during the year	-	-	10.84	-	-	10.84	-	10.84
Share options lapsed during the year	-	-	(3.30)	3.30	-	-	-	-
Balance as at 31-Mar-2021	42.46	4,135.55	46.27	3.67	(2,929.71)	1,298.24	16.35	1,314.59
Balance as at 1-Apr-2020	-	4,135.55	38.73	0.37	(2,579.34)	1,595.31	12.09	1,607.40
Restated loss for the period	-	-	-	-	(183.97)	(183.97)	1.01	(182.96)
Remeasurement gains/(losses) on the defined benefit plans	-	-	-	-	0.95	0.95	-	0.95
Compensation expense for share options granted during the period	-	-	5.25	-	-	5.25	-	5.25
Share options lapsed during the period	-	-	(1.39)	1.39	-	-	-	-
Balance as at 30-Sep-2020	-	4,135.55	42.59	1.76	(2,762.36)	1,417.54	13.10	1,430.64
Balance as at 31-Mar-2019	-	4,135.55	27.84	0.37	(2,493.88)	1,669.88	9.88	1,679.76
Impact on account of adoption of Ind AS 116 (refer note 46)	-	-	-	-	214.79	214.79	0.07	214.86
Balance as at 1-Apr-19 (refer note 17 (e))	-	4,135.55	27.84	0.37	(2,279.09)	1,884.67	9.95	1,894.62
Restated loss for the year	-	-	-	-	(298.35)	(298.35)	2.14	(296.21)
Remeasurement gains/(losses) on the defined benefit plans	-	-	-	-	(1.90)	(1.90)	-	(1.90)
Compensation expense for share options granted during the year	-	-	10.89	-	-	10.89	-	10.89
Balance as at 31-Mar-2020	-	4,135.55	38.73	0.37	(2,579.34)	1,595.31	12.09	1,607.40
Balance as at 1-Apr-2018	-	3,639.77	23.24	-	(1,831.69)	-	6.90	6.90
Issues of shares during the year	-	495.78	-	-	-	495.78	-	495.78
Restated loss for the year	-	-	-	-	(657.71)	(657.71)	2.98	(654.73)
Remeasurement gains/(losses) on the defined benefit plans	-	-	-	-	(4.48)	(4.48)	-	(4.48)
Compensation expense for share options granted during the year	-	-	4.97	-	-	4.97	-	4.97
Share options lapsed during the year	-	-	(0.37)	0.37	-	-	-	-
Balance as at 31-Mar-2019	-	4,135.55	27.84	0.37	(2,493.88)	1,669.88	9.88	1,679.76

The accompanying notes 1 to 46 are an integral part of the Restated Consolidated Financial Information

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

ICAI Firm registration number: 008072S

For and on behalf of the Board of Directors:

Kids Clinic India Limited (formerly known as Kids Clinic India Private Limited )

**Jaideep S Trasi**  
Partner  
Membership no.: 211095

Bengaluru: February 07, 2022

**Raviganesh Venkataraman**  
CEO & Executive Director  
DIN No: 07336611

Bengaluru: February 07, 2022

**Rohit M A**  
Executive Director  
DIN No: 02501034

**Madhu Sudhan P**  
Company Secretary  
Membership No.: A21699

**Sandeep Bardia**  
Chief Financial Officer

## Restated consolidated statement of cashflows

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
<b>Cash Flow from operating activities</b>					
Restated loss before tax	(96.81)	(182.63)	(344.15)	(363.43)	(746.79)
<b>Adjustments for</b>					
Depreciation and Amortisation expense	468.69	349.93	724.12	678.01	651.81
Finance costs	264.30	205.15	424.61	420.76	426.43
Interest income on bank deposits	(1.24)	(2.90)	(5.80)	(6.55)	(1.31)
Interest income on income tax refund	-	(7.59)	(9.81)	(0.08)	(0.08)
Interest income on other financial assets at amortised cost	(11.69)	(8.88)	(15.72)	(10.72)	(36.67)
Liabilities no longer required written back	(6.34)	(6.78)	(14.96)	(17.34)	(0.85)
Net gain on sale of current investments	(1.56)	(0.32)	(1.79)	(7.16)	(24.25)
Fair value gain on investments at fair value through profit or loss	(0.07)	(0.14)	(0.42)	(0.06)	(1.89)
(Gain)/loss on disposal of property, plant & equipment (net)	0.83	0.12	3.15	(1.94)	-
Rent concessions on lease rentals on account of COVID-19	-	(26.32)	(36.23)	-	-
Share based payment expense	2.81	5.25	10.84	10.89	4.97
Loss allowances on trade receivables	6.33	1.39	6.00	10.59	15.27
Bad debts written off	0.17	1.07	1.45	0.49	0.25
Capital work in progress written off	0.51	-	-	21.00	-
<b>Operating profit/(loss) before working capital changes</b>	<b>625.93</b>	<b>327.35</b>	<b>741.29</b>	<b>734.46</b>	<b>286.89</b>
<b>Movements in working capital</b>					
Decrease/ (increase) in trade receivables	(86.41)	(27.41)	(32.70)	(45.40)	(10.07)
Decrease/ (increase) in inventories	(86.35)	35.62	34.55	(56.03)	(8.95)
Decrease/ (increase) in loans	(3.77)	0.02	1.04	(1.85)	1.53
Decrease/ (increase) in other financial assets	(39.62)	(2.86)	(19.54)	(7.76)	(47.16)
Decrease/(increase) in other assets	(56.68)	(19.32)	(5.23)	(15.09)	1.44
Increase / (decrease) in trade payables	115.48	82.61	142.90	128.62	27.09
Increase / (decrease) in other financial liabilities	(7.14)	(0.74)	9.84	1.59	40.13
Increase / (decrease) in other liabilities	74.61	11.54	27.91	(0.51)	4.05
Increase / (decrease) in provisions	22.02	22.56	28.81	17.37	12.90
<b>Cash flow from operations</b>	<b>558.07</b>	<b>429.37</b>	<b>928.87</b>	<b>755.40</b>	<b>307.85</b>
Direct taxes (paid) /refunds, net	(22.75)	87.00	102.68	(40.58)	(59.24)
<b>Net cash flows from operating activities (A)</b>	<b>535.32</b>	<b>516.37</b>	<b>1,031.55</b>	<b>714.82</b>	<b>248.61</b>
<b>Cash flows from investing activities</b>					
Payments towards property, plant and equipment, including intangible assets (includes adjustments arising from right of use assets, capital work in progress, intangible assets under development and capital advances)	(774.90)	(103.11)	(363.23)	(284.69)	(392.33)
Proceeds on disposal of property, plant and equipment	0.65	-	0.31	3.44	-
Purchase of investments in mutual funds	(470.01)	(284.99)	(815.16)	(775.00)	-
Proceeds from sale of investments mutual funds	446.52	185.32	771.95	939.22	116.40
Investments in bank deposits	(0.90)	(95.37)	(104.67)	(82.19)	(1.00)
Redemption of bank deposits	97.56	93.00	100.64	-	-
Interest received	1.24	12.80	19.46	-	-
<b>Net cash flows (used in) investing activities (B)</b>	<b>(699.84)</b>	<b>(192.35)</b>	<b>(390.70)</b>	<b>(199.22)</b>	<b>(276.93)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issuance of equity share capital	163.26	-	0.25	-	-
Proceeds from issuance of NCCPS	140.15	-	-	-	600.00
Proceeds from current borrowings	-	0.90	-	-	-
Proceeds from non-current borrowings	348.02	0.07	91.40	107.50	5.00
Repayment of non-current borrowings	(48.46)	(23.53)	(107.24)	(112.91)	(114.32)
Payment of principal portion of lease liabilities	(68.09)	(81.55)	(132.84)	(157.84)	(108.73)
Payment of interest portion of lease liabilities	(220.34)	(158.85)	(337.35)	(319.54)	(333.98)
Finance costs paid (Other than interest portion of lease liabilities)	(44.60)	(45.91)	(85.87)	(99.32)	(90.88)
<b>Net cash flows (used in)/from financing activities (C)</b>	<b>269.94</b>	<b>(308.87)</b>	<b>(571.65)</b>	<b>(582.11)</b>	<b>(42.91)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>105.42</b>	<b>15.15</b>	<b>69.20</b>	<b>(66.51)</b>	<b>(71.23)</b>
Cash and cash equivalents at the beginning of the period / year	33.80	(35.40)	(35.40)	31.11	102.34
<b>Cash and cash equivalents at the end of the period / year</b>	<b>139.22</b>	<b>(20.25)</b>	<b>33.80</b>	<b>(35.40)</b>	<b>31.11</b>
<b>Comprises:</b>					
Cash-on-hand	4.03	3.43	4.67	2.96	2.43
Balances with banks in:					
Current accounts	139.77	27.86	46.02	27.83	41.83
Bank overdraft	(4.58)	(51.54)	(16.89)	(66.19)	(13.15)
<b>Total</b>	<b>139.22</b>	<b>(20.25)</b>	<b>33.80</b>	<b>(35.40)</b>	<b>31.11</b>

Note : Refer note 7 for non-cash investing activities pertaining to right of use assets.

The accompanying notes 1 to 46 are an integral part of the Restated Consolidated Financial Information

**Restated consolidated statement of cashflows**

**Changes in liabilities arising from financing activities (Including non-cash items)**

<b>Opening balance</b>					
Non-current borrowings	353.10	357.22	357.22	356.28	460.32
Lease liabilities	3,722.32	2,578.54	2,578.54	2,736.38	2,768.56
Current borrowings	108.64	169.66	169.66	122.97	113.63
Interest accrued but not due on borrowings	2.32	2.55	2.55	2.27	2.48
<b>Total</b>	<b>4,186.38</b>	<b>3,107.97</b>	<b>3,107.97</b>	<b>3,217.90</b>	<b>3,344.99</b>
<b>Movement</b>					
<b>Cash inflows</b>					
Proceeds from non-current borrowings	348.02	0.07	91.40	107.50	5.00
Proceeds from current borrowings		0.90			1.47
<b>Cash outflows</b>					
Repayment of non-current borrowings	(48.46)	(23.53)	(107.24)	(112.91)	(114.32)
Payment of principal portion of lease liabilities	(68.09)	(81.55)	(132.84)	(157.84)	(108.73)
Payment of interest portion of lease liabilities	(220.34)	(158.85)	(337.35)	(319.54)	(333.98)
Interest paid	(44.60)	(45.91)	(85.87)	(99.32)	(90.88)
Bank overdraft (forming part of cash and cash equivalents for statement of cash flow)	(12.31)	(14.65)	(49.30)	53.04	13.15
<b>Non-cash items</b>					
Additions to lease liabilities	33.67	163.96	1,369.77	-	76.55
Disposal of leases	(61.13)	-	(56.92)	-	-
Rent concession	-	(26.32)	(36.23)	-	-
Accretion of interest on loan	43.96	45.52	85.64	99.60	90.67
Accretion of interest on lease liabilities	220.34	158.85	337.35	319.54	333.98
<b>Total</b>	<b>191.06</b>	<b>18.49</b>	<b>1,078.41</b>	<b>(109.93)</b>	<b>(127.09)</b>
<b>Closing balance</b>					
Non-current borrowings	635.12	300.39	353.10	357.22	356.28
Lease liabilities	3,626.77	2,634.63	3,722.32	2,578.54	2,736.38
Current borrowings	113.87	189.28	108.64	169.66	122.97
Interest accrued but not due on borrowings	1.68	2.16	2.32	2.55	2.27
<b>Total</b>	<b>4,377.44</b>	<b>3,126.46</b>	<b>4,186.38</b>	<b>3,107.97</b>	<b>3,217.90</b>

The accompanying notes 1 to 46 are an integral part of the Restated Consolidated Financial Information

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

ICAI Firm registration number: 008072S

**For and on behalf of the Board of Directors:**

**Kids Clinic India Limited (formerly known as Kids Clinic India Private Limited )**

**Jaideep S Trasi**

Partner

Membership no.: 211095

Bengaluru: February 07, 2022

**Raviganesh Venkataraman**

CEO & Executive Director

DIN No: 07336611

Bengaluru: February 07, 2022

**Rohit M A**

Executive Director

DIN No: 02501034

**Madhu Sudhan P**

Company Secretary

Membership No.: A21699

**Sandeep Bardia**

Chief Financial Officer



## 1. Corporate information

Kids Clinic India Limited (formerly Kids Clinic India Private Limited) ('the Company' or 'the Holding Company') is domiciled in India and incorporated on December 15, 2005 under the provisions of the Companies Act, 1956. The registered office of the Holding Company is located at No. 1533, 9th Main, Jayanagar 3rd Block, Bangalore-560011. The Holding Company and its subsidiary (hereinafter collectively referred to as 'the Group') are engaged in providing services in the field of maternal, child and other related health care services.

The Holding Company was converted into a public limited company under the Companies Act, 2013 on December 13, 2021 and consequently, the name was changed from Kids Clinic India Private Limited to Kids Clinic India Limited.

## 2. Basis of preparation of Restated Consolidated Financial Information

The Restated Consolidated Financial Information of the Group comprise of the restated consolidated statement of assets and liabilities as at September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019, the related restated consolidated statement of profit and loss, the restated consolidated statement of changes in equity and the restated consolidated statement of cash flows for the six month periods ended September 30, 2021 and September 30, 2020 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, and the summary of significant accounting policies and other explanatory information (collectively, the 'Restated Consolidated Financial Information'). The Restated Consolidated Financial Information have been prepared by the management of the Company for inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with its proposed initial public offering of equity shares of the Company in terms of the requirements of:

- Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("the Act");
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the "ICDR Regulations"); and
- The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

The Restated Consolidated Financial Information have been prepared by the management of the Company and compiled from:

- > Audited Special Purpose Consolidated Interim Financial Statements of the Group as at and for the half-year ended 30 September 2021, prepared in accordance with recognition and measurement principles of Indian Accounting Standard 34 (Ind AS 34) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on February 07, 2022;
- > Audited Interim Consolidated Financial Statements of the Group as at and for the half-year ended 30 September 2020, prepared in accordance with the Ind AS 34 as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on January 31, 2022; and
- > Audited Consolidated Financial Statements of the Group as at and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019, prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on 27 July 2021, 10 November 2020 and 12 September 2019 respectively.

The accounting policies have been consistently applied by the Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of financial statements as at and for the half year ended September 30, 2021.

These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited special purpose consolidated interim financial statements / audited consolidated financial statements mentioned above.

The Restated Consolidated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the half year ended September 30, 2020 and in the financial years ended 31 March 2021, 2020 and 2019 to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the half year ended September 30, 2021.

b) do not require any adjustment for modification as there is no modification in the underlying audit reports.

The Restated consolidated financial information have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Restated consolidated financial information are presented in Indian Rupees ('INR') and all values are rounded to the nearest millions upto two decimals, except when otherwise indicated.

These restated consolidated financial information were approved by the Board of Directors of the Company in their meeting held on February 07, 2022.

## 2.1 Summary of significant accounting policies

### (a) Principles of consolidation

i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

ii. Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary. The manner of accounting for any related goodwill is explained below.

iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

iv. The financial statements of all subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

v. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

vi. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI. After initial recognition, goodwill is measured at cost less any accumulated impairment losses and tested for impairment annually.

When the Group ceases to consolidate for an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for and reclassified to profit or loss.

vii. Investment in subsidiary:

The entity considered in the consolidated Ind AS financial statements ('CFS') are listed below:

Name of the company	Country of Incorporation	Proportion of ownership interest
Acquity Labs Private Limited	India	51.00%

### (b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve.

**(c) Use of estimates**

The preparation of Consolidated Financial Statements in conformity with Ind AS 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. Any revision to accounting estimates is recognized prospectively.

**(d) Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has evaluated and considered its operating cycle as one year and accordingly has reclassified its assets and liabilities into current and non-current.

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

**(e) Property, plant and equipment and capital work in progress**

Property, plant and equipment 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.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, 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.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is de-recognized.

Expenditure relating to construction activity is capitalized.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

**(f) Depreciation on property, plant and equipment**

Depreciation on property, plant and equipment is calculated on a straight line method, based on the following useful lives as estimated by the management in accordance with Schedule II of the Companies Act, 2013. The identified components of the assets are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Group has used the following useful life to provide depreciation on its property, plant and equipment.

Category of Assets	Useful life (years)
Buildings	60
Plant and machinery:	
Medical equipments & accessories	13
Other plant & machinery	15
Electrical installations and equipment	10
Office equipment	5
Furniture & fittings	10
Computers:	
End user devices	3
Servers and networks	6
Vehicles	8

Leasehold improvements/Buildings are amortized on a straight line basis over the remaining period of the lease or estimated useful life of the assets, whichever is lower.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each period end and adjusted prospectively, if appropriate.

**(g) Intangible assets and intangible assets under development**

Intangible assets acquired separately are measured on initial recognition at cost. 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 period in which the expenditure is incurred.

Intangible assets comprising of computer software are amortized on a straight line basis over a period of five years, which is estimated by the management to be the useful life of the asset.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each period end and adjusted prospectively, if appropriate.

Gains or losses arising from de-recognition of an intangible asset 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 asset is derecognized.

Development costs incurred on internally generated intangible assets, not ready for use are capitalized as intangible assets under development.

**(h) Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Where the Group is lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

· Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies stated under "Impairment".

· Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

· Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Where the Group is lessor**

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**(i) Borrowing costs**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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.

**(j) Impairment**

A. Financial assets

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired and measures the required expected credit losses through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

B. Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) 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 group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the 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 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.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior periods. Such reversal is recognized in the statement of profit and loss.

**(k) Inventories**

Inventories of pharmacy goods and consumables are valued at lower of cost and net realisable value.

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a First In First Out (FIFO) basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

**(l) Revenue recognition**

*Revenue from contracts with customers*

The Group generates revenue from rendering of healthcare services, sale of pharmacy goods and other ancillary activities in India.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other credits, if any, as specified in the contract with the customer.

Goods and services tax is not received by the Group on its own account. Rather, it is tax collected by the seller on behalf of the government. Accordingly, it is excluded from revenue.

*Disaggregation of revenue*

The Group disaggregates revenue from healthcare service, sale of pharmacy goods and other operating income. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Group's revenues and cash flows are affected by industry, market and other economic factors.

*Sale of healthcare services*

Revenue primarily comprises fees charged for inpatient and outpatient hospital services.

Revenue for each distinct performance obligation is measured to at an amount that reflects the consideration which the Company expects to receive in exchange for those products or services and is net of tax collected from customers and remitted to government authorities and applicable discounts. Further, the Company also determines whether the performance obligation is satisfied at a point in time or over a period of time. These judgments and estimations are based on various factors including contractual terms and historical experience.

Revenue from healthcare services is recognised as and when services are performed.

Excess of revenue earned over billings on contracts is recognised as unbilled revenue. Unbilled revenue is classified as other financial assets when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue is recognised as other current liability when there is billings in excess of revenues.

*Sale of Pharmacy goods*

Revenue from sale of pharmacy goods is recognised when control is transferred at the time of delivery of goods to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount of revenue recognised is net of sales returns, taxes and duties, wherever applicable.

*Other operating revenue*

The Group's revenue from other operating income comprises primarily of ancillary services provided to patients such as photography services. Revenue from services rendered is based on the arrangements with the customers and is recognised as the service is performed.

*Contract balances*

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Unbilled revenue included in other current financial assets represents revenue earned but not billed as at the reporting date.

Contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

*Other non-operating income*

Other non-operating income includes income from revenue sharing arrangements which are recognised in accordance with the terms with the parties.

*Interest income*

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

*Dividend income*

Dividend income is recognized when the Group's right to receive dividend is established by the reporting date. Dividend income is included under the head "other income" in the statement of profit and loss.

**(m) Foreign currency translation**

*Functional and presentation currency*

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Group's functional and presentation currency.

*Foreign currency transactions and balances*

(i) Initial recognition

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

(ii) Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(iii) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss in the period in which they arise.

**(n) Retirement and other employee benefits**

*Defined contribution scheme*

Retirement benefits in the form provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund as expenditure, when an employee renders the related service. The contribution paid in excess of amount due is recognized as an asset and the contribution due in excess of amount paid is recognized as a liability.

*Defined benefit scheme*

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Group recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The 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 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 project unit credit method, made at the end of each period. Actuarial gains/losses are immediately taken to the statement of profit and loss. The Group presents the accumulated leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

**(o) Income taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the period.

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

i. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

ii. Deferred income tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**(p) Earnings per share**

Basic earnings/ (loss) per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares (including equity shares to be issued upon conversion of a mandatorily convertible instrument) outstanding during the period. The weighted average number of equity shares outstanding during the period 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/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(q) Provisions**

A provision is recognized when the Group has a present obligation (legal or constructive) 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

**(r) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the 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 Group does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

#### **(s) Financial Instruments**

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

##### **i. Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **ii. Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss. The Group has measured the investments in mutual funds at fair value through profit and loss.

##### **iii. Financial instruments at amortized cost**

A 'financial instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

##### **iv. Equity investment in subsidiaries.**

Investment in subsidiaries are carried at cost. Impairment recognized, if any, is reduced from the carrying value.

##### **v. De-recognition of financial asset**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

##### **vi. Financial liabilities**

Financial liabilities are classified at initial recognition at amortised cost using effective interest method or fair value through profit or loss. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The subsequent measurement of financial liabilities depends on their classification, which is described below.

##### **vii. Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

##### **viii. Financial liabilities at amortized cost**

Financial liabilities are subsequently carried at amortized cost using the effective interest ('EIR') method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Interest-bearing loans and borrowings are subsequently measured at amortized cost using EIR method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### **ix. De-recognition of financial liability**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

##### **x. Fair value of financial instruments**

In determining the fair value of its financial instruments, the Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### **(t) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and bank balances and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Group's cash management.

#### **(u) Share based payment**

Employees (including senior executives) of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). The Group has also granted share appreciation rights, which are settled in cash (cash-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model and the cost is recognized, together with a corresponding increase in share options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised as cost. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

#### **(v) Segment accounting policies**

The Group's management team who are the Chief Operating Decision Maker (CODM) regularly reviews the operating results to make decisions about resource allocation and performance assessment. The Group operates in one business and geographical segment i.e., healthcare services in India and all the non-current assets held by the Group are located in India. Hence, there are no additional disclosures to be provided under Ind-AS 108 – Segment information with respect to the single reportable segment, other than those already provided in financial statements.

## **2.2 Significant accounting judgements, estimates and assumptions**

The preparation of the Group's restated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, management makes judgment, estimates and assumptions which have the most significant effect on the amounts recognized in the financial statements.

The key judgment, estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year, are described below. The Group based its judgments and assumptions and estimates on parameters available when the restated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. Also refer note 2.4 below regarding impact of Covid-19 pandemic.

**Significant accounting judgements, estimates and assumptions used by management are as below:**

*Revenue from contracts with customers*

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients. Revenue from hospital services are recognized as and when services are performed, unless significant future uncertainties exist. The Group assess the distinct performance obligation in the contract and measures to at an amount that reflects the consideration it expects to receive net of tax collected and remitted to Government and adjusted for discounts and concession. The Group based on contractual terms and past experience determines the performance obligation satisfaction over time.

Unbilled revenue is recorded for the service rendered where the patients are not discharged and final invoice is not raised for the services.

*Impairment of non-financial assets*

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Group.

*Defined benefit schemes*

The cost of the defined benefit plan and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates and expected salary increase thereon.

*Fair value measurement of financial instruments*

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and market risk. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

*Measurement of financial instruments at amortized cost*

Financial instrument are subsequently measured at amortized cost using the effective interest ('EIR') method. The computation of amortized cost is sensitive to the inputs to EIR including effective rate of interest, contractual cash flows and the expected life of the financial instrument. Changes in assumptions about these inputs could affect the reported value of financial instruments.

*Useful life and residual value of property, plant and equipment and intangible assets*

The useful life and residual value of property, plant and equipment and intangible assets are determined based on evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgments involved in such estimates the useful life and residual value are sensitive to the actual usage in future period.

*Provision for litigations and contingencies*

Provision for litigations and contingencies is determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgments around estimates the ultimate outcome of such past events and measurement of the obligation amount. Due to judgments involved in such estimation the provision is sensitive to the actual outcome in future periods.

*Deferred tax assets*

The Group has recognized deferred tax asset to the extent of unabsorbed depreciation carried forward since these losses can be carried forward for indefinite period and there is reasonable certainty that the Group would generate future profits from its operations. Basis the management's evaluation, the Group's business projections provide reasonable evidence that there would be taxable profits generated by the Group in future to utilise the deferred tax assets being carried in the books as at the balance sheet date and accordingly deferred tax asset on unabsorbed depreciation has been recognised.

*Determining the lease term of contracts – Group as lessee*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

**2.3 New and amended standards**

*Amendments to Ind AS 1 and Ind AS 8: Definition of Material*

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Group.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the restated consolidated financial information.

*Amendments to Ind AS 116: Covid-19-Related Rent Concessions*

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. Also refer note 7 for impact on the restated consolidated financial information.

**2.4 Covid-19 Pandemic**

The outbreak of Covid-19 pandemic globally and in India has caused significant disturbance and slowdown of economic activities. Due to Covid-19 pandemic, the Group's operations were impacted during the half year ended September 30, 2020 and years ended March 31, 2021 and March 31, 2020.

The Group has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets including property, plant and equipment, intangible assets, investments, receivables and deferred tax assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, as at the date of the approval of the respective financial statements has used internal and external sources of information to assess the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on the current estimates, the Group expects that the carrying amount of these assets, as reflected in the respective financial statements are fully recoverable.

Further, during the half-year ended September 30, 2021, September 30, 2020 and years ended March 31, 2021, March 31, 2020 and March 31, 2019, the Group has incurred loss of ₹98.59 million, ₹182.96 million, ₹347.08 million, ₹296.21 million and ₹654.73 million, respectively, and has accumulated losses as at September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019 of ₹3029.48 million, ₹2762.36 million, ₹2929.71 million, ₹2579.34 million and ₹2493.88 million, The Group is in the stabilisation phase and its ability to continue as a going concern is based on establishing profitable operations and obtaining continuing financial support from its investors. The management has also taken various cost and profit optimization initiatives in the succeeding period, which will further improve operating cash flows and generate operating profit in the future. Further, the Group also has unutilised credit limit against its existing borrowings of ₹684.60 million, ₹520.31 million, ₹472.97 million, ₹453.30 million and ₹204.35 million as at September 30, 2021, March 31, 2021, September 30, 2020, March 31, 2020 and March 31, 2019 respectively.

The Group's management has also estimated the future cash flows for the Group with the possible effects that may result from the Covid-19 pandemic and does not foresee any adverse impact in realising its assets and in meeting its liabilities as and when they fall due. The actual impact of the Covid-19 pandemic may be different from that estimated as at the date of approval of the respective financial statements.

Kids Clinic India Limited (formerly known as Kids Clinic India Private Limited ) (CIN U85110KA2005PLC037953)  
Restated Consolidated Financial Information  
(Amount in ₹ millions, except as otherwise stated)

Note

3 **Property, plant and equipment**

Particulars (Net carrying amount)	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Freehold land	60.00	60.00	60.00	60.00	60.00
Buildings (refer note (b) below)	109.71	114.95	120.18	125.39	135.83
Leasehold improvements	1,001.74	1,020.86	1,075.22	1,094.73	1,247.90
Medical equipment & accessory	667.14	597.45	580.37	562.15	568.71
Other plant & machinery	288.62	283.26	284.37	282.56	303.40
Electrical installation and equipment	110.35	103.81	95.80	86.28	95.66
Office equipment	73.75	60.98	47.21	45.59	59.63
Furniture & fittings	76.39	73.93	78.28	75.04	85.54
Computers	7.73	3.07	9.96	10.95	15.61
Vehicles	26.80	25.22	30.14	27.12	18.80
<b>Total</b>	<b>2,422.23</b>	<b>2,343.53</b>	<b>2,381.53</b>	<b>2,369.81</b>	<b>2,591.08</b>

Notes:

- (a) For details of property, plant and equipment pledged as security for borrowings refer note 18.  
(b) Buildings as at respective reporting periods include, hospital building constructed by the Holding Company under an arrangement with the owner of the land on which building is constructed.  
(c) As at the above reporting period, title deeds of all the immovable properties are in the name of the Group.  
(d) On transition to Ind AS (i.e. April 01, 2016), the Group has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

**Property, plant and equipment**

Particulars	Freehold land	Buildings	Leasehold improvements	Medical equipment & accessory	Other plant & machinery	Electrical installation and equipment	Office equipment	Furniture & fittings	Computers	Vehicles	Total
<b>Gross carrying amount</b>											
Balance as at 01-Apr-2018	60.00	167.05	1,441.55	635.59	292.31	107.90	97.74	110.63	43.81	27.00	2,983.58
Additions	-	-	201.48	100.30	77.82	26.81	14.27	11.95	7.44	3.43	443.50
Disposals	-	-	(8.63)	-	(0.56)	(0.49)	-	(1.10)	-	-	(10.78)
<b>Balance as at 31-Mar-2019</b>	<b>60.00</b>	<b>167.05</b>	<b>1,634.40</b>	<b>735.89</b>	<b>369.57</b>	<b>134.22</b>	<b>112.01</b>	<b>121.48</b>	<b>51.25</b>	<b>30.43</b>	<b>3,416.30</b>
Additions	-	-	16.62	52.53	4.14	2.74	7.14	2.33	5.28	13.88	104.66
Disposals	-	-	(3.94)	(2.03)	-	-	(0.68)	-	-	(12.81)	(19.46)
<b>Balance as at 31-Mar-2020</b>	<b>60.00</b>	<b>167.05</b>	<b>1,647.08</b>	<b>786.39</b>	<b>373.71</b>	<b>136.96</b>	<b>118.47</b>	<b>123.81</b>	<b>56.53</b>	<b>31.50</b>	<b>3,501.50</b>
Additions	-	-	65.66	49.07	15.10	15.99	12.58	10.25	3.43	5.63	177.71
Disposals	-	-	-	(0.04)	(0.01)	-	(0.20)	(0.08)	(0.29)	-	(0.62)
<b>Balance as at 30-Sep-2020</b>	<b>60.00</b>	<b>167.05</b>	<b>1,712.74</b>	<b>835.42</b>	<b>388.80</b>	<b>152.95</b>	<b>130.85</b>	<b>133.98</b>	<b>59.67</b>	<b>37.13</b>	<b>3,678.59</b>
Balance as at 1-Apr-20	60.00	167.05	1,647.08	786.39	373.71	136.96	118.47	123.81	56.53	31.50	3,501.50
Additions	-	-	100.11	101.15	27.77	23.01	29.58	21.24	7.83	6.16	316.85
Disposals	-	-	(0.78)	(10.17)	(0.99)	(0.27)	(0.30)	(2.60)	(5.37)	(1.97)	(22.45)
<b>Balance as at 31-Mar-2021</b>	<b>60.00</b>	<b>167.05</b>	<b>1,746.41</b>	<b>877.37</b>	<b>400.49</b>	<b>159.70</b>	<b>147.75</b>	<b>142.45</b>	<b>58.99</b>	<b>35.69</b>	<b>3,795.90</b>
Additions	-	-	91.42	105.43	26.25	16.26	25.51	12.87	8.34	4.52	290.60
Disposals	-	-	(0.37)	(0.96)	(0.98)	-	(0.46)	(0.32)	(0.08)	-	(3.17)
<b>Balance as at 30-Sep-2021</b>	<b>60.00</b>	<b>167.05</b>	<b>1,837.46</b>	<b>981.84</b>	<b>425.76</b>	<b>175.96</b>	<b>172.80</b>	<b>155.00</b>	<b>67.25</b>	<b>40.21</b>	<b>4,083.33</b>
<b>Accumulated depreciation</b>											
Balance as at 01-Apr-2018	-	20.78	232.35	114.70	44.44	27.89	33.30	23.79	24.83	7.56	529.64
Depreciation expense for the year	-	10.44	162.78	52.48	22.29	11.16	19.08	13.25	10.81	4.07	306.36
Disposals	-	-	(8.63)	-	(0.56)	(0.49)	-	(1.10)	-	-	(10.78)
<b>Balance as at 31-Mar-2019</b>	<b>-</b>	<b>31.22</b>	<b>386.50</b>	<b>167.18</b>	<b>66.17</b>	<b>38.56</b>	<b>52.38</b>	<b>35.94</b>	<b>35.64</b>	<b>11.63</b>	<b>825.22</b>
Depreciation expense for the year	-	10.44	169.79	58.66	24.98	12.12	21.18	12.83	9.94	4.48	324.42
Disposals	-	-	(3.94)	(1.60)	-	-	(0.68)	-	-	(11.73)	(17.95)
<b>Balance as at 31-Mar-2020</b>	<b>-</b>	<b>41.66</b>	<b>552.35</b>	<b>224.24</b>	<b>91.15</b>	<b>50.68</b>	<b>72.88</b>	<b>48.77</b>	<b>45.58</b>	<b>4.38</b>	<b>1,131.69</b>
Depreciation expense for the period	-	5.21	85.17	30.83	13.28	6.47	10.91	6.99	4.38	2.61	165.85
Disposals	-	-	(0.02)	-	-	-	(0.15)	(0.06)	(0.25)	-	(0.48)
<b>Balance as at 30-Sep-2020</b>	<b>-</b>	<b>46.87</b>	<b>637.52</b>	<b>255.05</b>	<b>104.43</b>	<b>57.15</b>	<b>83.64</b>	<b>55.70</b>	<b>49.71</b>	<b>6.99</b>	<b>1,297.06</b>
Balance as at 1-Apr-20	-	41.66	552.35	224.24	91.15	50.68	72.88	48.77	45.58	4.38	1,131.69
Depreciation expense for the year	-	10.44	173.88	63.84	26.64	5.48	14.13	22.14	15.06	8.05	339.66
Disposals	-	-	(0.68)	(8.16)	(0.56)	(0.27)	(0.24)	(2.39)	(4.72)	(1.96)	(18.98)
<b>Balance as at 31-Mar-2021</b>	<b>-</b>	<b>52.10</b>	<b>725.55</b>	<b>279.92</b>	<b>117.23</b>	<b>55.89</b>	<b>86.77</b>	<b>68.52</b>	<b>55.92</b>	<b>10.47</b>	<b>1,452.37</b>
Depreciation expense for the period	-	5.24	110.19	35.14	20.57	9.72	12.67	10.27	3.68	2.94	210.42
Disposals	-	-	(0.02)	(0.36)	(0.66)	-	(0.39)	(0.18)	(0.08)	-	(1.69)
<b>Balance as at 30-Sep-2021</b>	<b>-</b>	<b>57.34</b>	<b>835.72</b>	<b>314.70</b>	<b>137.14</b>	<b>65.61</b>	<b>99.05</b>	<b>78.61</b>	<b>59.52</b>	<b>13.41</b>	<b>1,661.10</b>
<b>Net carrying amount as at</b>											
31-Mar-2019	60.00	135.83	1,247.90	568.71	303.40	95.66	59.63	85.54	15.61	18.80	2,591.08
31-Mar-2020	60.00	125.39	1,094.73	562.15	282.56	86.28	45.59	75.04	10.95	27.12	2,369.81
30-Sep-2020	60.00	120.18	1,075.22	580.37	284.37	95.80	47.21	78.28	9.96	30.14	2,381.53
31-Mar-2021	60.00	114.95	1,020.86	597.45	283.26	103.81	60.98	73.93	3.07	25.22	2,343.53
30-Sep-2021	60.00	109.71	1,001.74	667.14	288.62	110.35	73.75	76.39	7.73	26.80	2,422.23

Note

4 Capital work-in-progress

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Opening balance	13.12	95.71	95.71	-	28.29
Transactions during the period / year					
Additions	504.33	162.11	83.38	116.71	173.18
Capitalised	(125.97)	(244.70)	(159.22)	-	(201.47)
Used for repairs and maintenance	(15.57)	-	-	-	-
Written off	(0.51)	-	-	(21.00)	-
Closing balance	375.40	13.12	19.87	95.71	-

(a) Capital work-in-progress ageing schedule

Particulars	Project in progress as at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Amount in capital work-in-progress for the period of					
< 1 year	375.40	4.89	17.75	85.84	-
1-2 years	-	8.23	2.12	9.87	-
2-3 years	-	-	-	-	-
>3 years	-	-	-	-	-
Total	375.40	13.12	19.87	95.71	-

(b) There are no projects whose completion is overdue under capital work-in-progress.

(c) There are no projects where activity has been suspended under capital work-in-progress.

(d) There are no projects whose cost has exceeded the original budget of the management.

5 Intangible assets

5 (a) Goodwill on consolidation

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Goodwill	5.37	5.37	5.37	5.37	5.37
Total	5.37	5.37	5.37	5.37	5.37

The Group has recognised a goodwill on acquisition of Aquity Labs Pvt Ltd (the subsidiary) of ₹ 5.3 million. The subsidiary is having a positive net worth as on September 30, 2021, March 31, 2021, September 30, 2020, March 31, 2020 and March 31, 2019 of ₹ 40.24 million, ₹ 33.36 million, ₹ 26.73 million ₹ 24.68 million and ₹ 20.18 million and profit before tax for the period ended September 30, 2021, March 31, 2021, September 30, 2020, March 31, 2020 and March 31, 2019 of ₹ 9.63 million, ₹ 12.02 million, ₹ 2.79 million, ₹ 6.05 million and ₹ 8.36 million respectively.

Goodwill is tested for impairment annually as at each balance sheet date and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash generating unit to which the goodwill relates.



Kids Clinic India Limited (formerly known as Kids Clinic India Private Limited ) (CIN U85110KA2005PLC037953)

Restated Consolidated Financial Information

(Amount in ₹ millions, except as otherwise stated)

Note

5 (b) Other intangible assets

Particulars	Computer Software	Total
<b>Gross carrying amount</b>		
Balance as at 01-Apr-2018	20.43	20.43
Additions	2.65	2.65
Disposals	-	-
<b>Balance as at 31-Mar-2019</b>	<b>23.08</b>	<b>23.08</b>
Additions	16.33	16.33
Disposals	-	-
<b>Balance as at 31-Mar-2020</b>	<b>39.41</b>	<b>39.41</b>
Additions	0.74	0.74
Disposals	-	-
<b>Balance as at 30-Sep-2020</b>	<b>40.15</b>	<b>40.15</b>
Balance as at 1-Apr-20	39.41	39.41
Additions	1.30	1.30
Disposals	(0.70)	(0.70)
<b>Balance as at 31-Mar-2021</b>	<b>40.01</b>	<b>40.01</b>
Additions	0.88	0.88
Disposals	-	-
<b>Balance as at 30-Sep-2021</b>	<b>40.89</b>	<b>40.89</b>
<b>Accumulated amortisation</b>		
Balance as at 01-Apr-2018	6.98	6.98
Amortisation expense for the year	4.15	4.15
Disposals	-	-
<b>Balance as at 31-Mar-2019</b>	<b>11.13</b>	<b>11.13</b>
Amortisation expense for the year	6.73	6.73
Disposals	-	-
<b>Balance as at 31-Mar-2020</b>	<b>17.86</b>	<b>17.86</b>
Amortisation expense for the period	3.42	3.42
Disposals	-	-
<b>Balance as at 30-Sep-2020</b>	<b>21.28</b>	<b>21.28</b>
Balance as at 1-Apr-20	17.86	17.86
Amortisation expense for the year	6.93	6.93
Disposals	(0.70)	(0.70)
<b>Balance as at 31-Mar-2021</b>	<b>24.09</b>	<b>24.09</b>
Amortisation expense for the period	3.36	3.36
Disposals	-	-
<b>Balance as at 30-Sep-2021</b>	<b>27.45</b>	<b>27.45</b>
<b>Net carrying amount as at</b>		
31-Mar-2019	11.95	11.95
31-Mar-2020	21.55	21.55
30-Sep-2020	18.87	18.87
31-Mar-2021	15.92	15.92
30-Sep-2021	13.44	13.44

(i) Includes Internally generated software of ₹ 14.4 million capitalized during the year ended March 31, 2020 of which carrying value as on September 30, 2021, March 31, 2021, September 30, 2020, March 31, 2020 is ₹ 7.5 million, ₹ 8.9 million, ₹ 10.4 million, ₹ 11.85 million and depreciation for the year/period of September 30, 2021, March 31, 2021, September 30, 2020, March 31, 2020 is ₹ 1.4 million, ₹ 2.95 million, ₹ 1.45 million, ₹ 2.55 million respectively.

(ii) On transition to Ind AS (i.e. April 01, 2016), the Group has elected to continue with the carrying value of all other intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of other intangible assets.

## Note

## 6 Intangible assets under development

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Opening balance	-	-	-	11.23	3.67
Transactions during the period / year					
Additions	-	-	-	3.18	7.56
Capitalised	-	-	-	(14.41)	-
<b>Closing balance</b>	-	-	-	-	<b>11.23</b>

## (a) Intangible assets under development ageing schedule

Particulars	Project in progress as at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
<b>Amount in intangible assets under development for the period of</b>					
< 1 year	-	-	-	-	7.56
1-2 years	-	-	-	-	3.67
2-3 years	-	-	-	-	-
>3 years	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>11.23</b>

(b) There are no projects whose completion is overdue under Intangible assets under development.

(c) There are no projects where activity has been suspended for Intangible assets under development.

(d) There are no projects whose cost has exceeded the original budget of the management.

**Note**

**7 Leases**

The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Group has taken buildings on lease from where healthcare and management services are rendered. The leases typically run for a period of 3 year - 15 years. Lease payments are renegotiated nearing the expiry to reflect market rentals.

The Group has used modified retrospective approach as prescribed in para c 8 (b)(ii) under Ind AS 116.

For the purpose of restated financial information the proforma transition date has been considered as April 01, 2018 with an adjustment to retained earnings as at April 01, 2019, to bring it in line with the initial application date. Refer note 46 for further information.

The Group has adopted the amendments to Ind AS 116 for the first time in the year ended March 31, 2021. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

As per notification no GSR 463E dated 24 July 2020 from Ministry of Corporate Affairs, the practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- (i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
  - (ii) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
  - (iii) There is no substantive change to other terms and conditions of the lease.
- The Group has discounted lease payments using the applicable incremental borrowing rate as on the proforma transition date, for measuring the lease liability.

**(a) Details of Right of use asset**

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
<b>Building</b>					
<b>Cost</b>					
Opening balance as on March 31	4,481.65	3,055.61	3,055.61	2,826.74	-
IND AS 116 restatement adjustment (refer note 46)				214.86	
Opening balance as on April 1	4,481.65	3,055.61	3,055.61	3,041.60	-
On account of adoption of Ind AS 116	-	-	-	-	2,747.62
Additions					-
a) Amount of lease liabilities recognised	33.67	1,369.77	163.96	-	76.55
b) Initial direct costs incurred	5.83	22.46	0.96	-	2.57
c) Difference between the lease deposit paid and present value of lease deposit at the lease inception	13.59	90.73	3.94	14.01	-
Disposals/ Deletion - Adjustment due to lease modification	(60.94)	(56.92)	-	-	-
<b>Gross carrying amount</b>	<b>4,473.80</b>	<b>4,481.65</b>	<b>3,224.47</b>	<b>3,055.61</b>	<b>2,826.74</b>
<b>Accumulated depreciation</b>					
Opening Balance	1,065.69	688.16	688.16	341.30	-
Charge for the period / year	254.91	377.53	180.66	346.86	341.30
<b>Closing accumulated depreciation</b>	<b>1,320.60</b>	<b>1,065.69</b>	<b>868.82</b>	<b>688.16</b>	<b>341.30</b>
<b>Net carrying amount</b>	<b>3,153.20</b>	<b>3,415.96</b>	<b>2,355.65</b>	<b>2,367.45</b>	<b>2,485.44</b>

**(b) Details of Lease liabilities**

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
<b>Opening balance</b>	<b>3,722.32</b>	<b>2,578.54</b>	<b>2,578.54</b>	<b>2,736.38</b>	<b>-</b>
On account of adoption of Ind AS 116	-	-	-	-	2,768.56
Adjustments to Opening balances (refer note 46)					
Additions	33.67	1,369.77	163.96	-	76.55
Rent concessions on lease rentals on account of COVID -19	-	(36.23)	(26.32)	-	-
Finance cost accrued during the period / year	220.34	337.35	158.85	319.54	333.98
Adjustment due to lease modification	(61.13)	(56.92)	-	-	-
Lease payments	(288.43)	(470.19)	(240.40)	(477.38)	(442.71)
<b>Closing balance</b>	<b>3,626.77</b>	<b>3,722.32</b>	<b>2,634.63</b>	<b>2,578.54</b>	<b>2,736.38</b>
Non-current lease liabilities	3,301.69	3,459.15	2,413.37	2,393.36	2,586.90
Current lease liabilities	325.08	263.17	221.26	185.18	149.48

## Note

- (c) Ind AS 116, Leases is applicable for annual reporting periods beginning on or after 1 April 2019. The Group has decided to adopt modified retrospective transition option wherein the right of use asset is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease. The Group has applied the requirements of Ind AS 116 retrospectively for the purpose of preparation of restated consolidated financial information for the years ended March 31, 2019 (Proforma) which has resulted in the restated equity balance as at the balance sheet date immediately prior to the date of adoption, i.e., March 31 2019 being different from the opening equity balance as at April 1, 2019 due to applying transition provisions at different dates. Hence, the closing equity balance as at March 31, 2019 of the restated consolidated financial information has not been carried forward to opening equity balance as at transition date (i.e. April 1, 2019).

## (d) Amounts recognised in restated consolidated statement of profit and loss

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Interest expense on lease liabilities	220.34	158.85	337.35	319.54	333.98
Depreciation of right-of-use assets	254.91	180.66	377.53	346.86	341.30
Expenses relating to short-term leases (included in other expenses under rent)	10.61	4.14	9.15	10.46	14.86

## (e) Amounts recognised in restated consolidated statements of cashflows

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Cash outflow for leases - towards principal	(68.09)	(81.55)	(132.84)	(157.84)	(108.73)
Cash outflow for leases - towards interest	(220.34)	(158.85)	(337.35)	(319.54)	(333.98)

## (f) Contractual maturities of lease liabilities on an undiscounted basis

Particulars	30-Sep-21	31-Mar-21	30-Sep-20	31-Mar-20	31-Mar-19
< 1 year	739.84	768.29	532.19	485.00	477.53
1 to 5 years	2,741.75	2,844.05	2,032.62	1,966.00	2,001.33
> 5 years	1,861.79	1,770.81	1,725.54	1,767.70	2,217.73
<b>Total</b>	<b>5,343.38</b>	<b>5,383.15</b>	<b>4,290.35</b>	<b>4,218.70</b>	<b>4,696.59</b>

## (g) Group as lessor

The Group has subleased office space under cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Lease rentals recognised as an income in the restated consolidated statement of profit and loss under Other Income	3.26	3.42	6.26	8.11	7.32

Note

8 Investments

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
<b>Current, quoted</b>					
<b>Investments at fair value through profit or loss</b>					
<b>Investment in mutual funds</b>					
SBI Magnum Low Duration Fund - Regular Growth [Nil (March 31, 2021 : 7,368.06 units , September 30, 2020: Nil, March 31, 2020 : Nil, March 31, 2019 : Nil)]	-	20.27	-	-	-
ICICI Prudential Savings Fund - Growth [Nil (March 31, 2021 : 48,218.36 units , September 30, 2020: Nil, March 31, 2020 : Nil, March 31, 2019 : Nil)]	-	20.06	-	-	-
ICICI Prudential Ultra Short Term Fund - Growth [Nil (March 31, 2021 : 934,371.16 units , September 30, 2020: Nil, March 31, 2020 : Nil, March 31, 2019 : Nil)]	-	20.15	-	-	-
Tata Liquid Fund - Direct Plan - Growth [Nil (March 31, 2021 : Nil , September 30, 2020: Nil, March 31, 2020 : 4,808.00 units , March 31, 2019 : Nil)]	-	-	-	15.06	-
ICICI Prudential Money Market Fund - Regular - Growth [Nil (March 31, 2021 : Nil , September 30, 2020: Nil, March 31, 2020 : Nil , March 31, 2019 : 459,500.00 units)]	-	-	-	-	118.93
IDFC Ultra Short Term Fund - Direct - Growth [Nil (March 31, 2021 : Nil , September 30, 2020: Nil, March 31, 2020 : Nil , March 31, 2019 : 5,007,042.00 units)]	-	-	-	-	53.13
Nippon India Overnight fund-regular growth [Nil (March 31, 2021 : Nil , September 30, 2020: 230,536.87 units, March 31, 2020 : Nil , March 31, 2019 : Nil)]	-	-	25.05	-	-
AXIS overnight fund -Regular Growth [Nil (March 31, 2021 : Nil , September 30, 2020: 37,445.15 units, March 31, 2020 : Nil , March 31, 2019 : Nil)]	-	-	40.09	-	-
TATA Liquid fund Regular Growth Plan [Nil (March 31, 2021 : Nil , September 30, 2020: 4,725.89 units , March 31, 2020 : Nil , March 31, 2019 : Nil)]	-	-	15.01	-	-
DSP Overnight fund-regular growth [Nil (March 31, 2021 : Nil , September 30, 2020: 32,320.17 units , March 31, 2020 : Nil , March 31, 2019 : Nil)]	-	-	35.04	-	-
Aditya Birla Sunlife savings fund-growth direct plan [80,831.69 units (March 31, 2021 : Nil , September 30, 2020: Nil, March 31, 2020 : Nil , March 31, 2019 : Nil)]	35.26	-	-	-	-
ICICI Prudential Ultra Short term fund DP-Growth [2,149,477.87 units (March 31, 2021 : Nil , September 30, 2020: Nil, March 31, 2020 : Nil , March 31, 2019 : Nil)]	50.34	-	-	-	-
<b>Total</b>	<b>85.60</b>	<b>60.48</b>	<b>115.19</b>	<b>15.06</b>	<b>172.06</b>
(a) Aggregate amount of quoted investments and market value thereof	85.60	60.48	115.19	15.06	172.06
(b) Aggregate amount of unquoted investments	-	-	-	-	-

9 (i) Other financial assets

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
<b>Non-current [Unsecured, considered good]</b>					
Financial assets measured at amortised cost					
Security deposit	256.60	224.54	194.55	184.71	163.73
Fixed deposit with banks - margin money (refer note below)	0.86	108.16	105.33	108.17	19.63
<b>Total</b>	<b>257.46</b>	<b>332.70</b>	<b>299.88</b>	<b>292.88</b>	<b>183.36</b>
<b>Current [Unsecured, considered good]</b>					
Unbilled revenue	48.62	29.37	38.68	33.94	36.24
<b>Total</b>	<b>48.62</b>	<b>29.37</b>	<b>38.68</b>	<b>33.94</b>	<b>36.24</b>

Note : Pledged against borrowings and bank guarantee facilities availed by the Group from banks. (refer note 18)

10 Other assets

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
<b>Non-current [Unsecured, considered good]</b>					
Balances with statutory / government authorities	0.28	0.28	0.28	0.28	-
Prepaid expenses	10.31	6.58	5.20	5.53	14.54
Capital advances	296.56	41.56	20.09	39.91	14.13
<b>Total</b>	<b>307.15</b>	<b>48.42</b>	<b>25.57</b>	<b>45.72</b>	<b>28.67</b>
<b>Current [Unsecured, considered good]</b>					
Advance to suppliers	58.37	7.94	32.25	9.06	10.58
Balances with statutory / government authorities	12.22	13.41	9.58	12.88	11.91
Prepaid expenses	19.54	15.83	10.82	11.06	0.70
<b>Total</b>	<b>90.13</b>	<b>37.18</b>	<b>52.65</b>	<b>33.00</b>	<b>23.19</b>

11 Income tax Assets (net)

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
<b>Non-current</b>					
Advance income tax	117.16	95.98	114.04	95.52	160.17
Less: Provision for income tax	(7.05)	(5.06)	(4.96)	(3.96)	(2.43)
<b>Total</b>	<b>110.11</b>	<b>90.92</b>	<b>109.08</b>	<b>91.56</b>	<b>157.74</b>
<b>Current</b>					
Advance income tax	-	-	-	105.52	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105.52</b>	<b>-</b>

Note

<b>12 Inventories</b>					
Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
(valued at lower of cost and net realisable value)					
Pharmacy traded goods	35.32	30.48	26.46	44.81	22.75
Consumables	131.90	50.39	53.34	70.61	36.64
<b>Total</b>	<b>167.22</b>	<b>80.87</b>	<b>79.80</b>	<b>115.42</b>	<b>59.39</b>

For details of inventories pledged as security for borrowings refer note 18.

<b>13 Loans</b>					
Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
<b>Current [Unsecured, considered good]</b>					
Loans to employees	6.27	2.50	3.52	3.54	1.81
<b>Total</b>	<b>6.27</b>	<b>2.50</b>	<b>3.52</b>	<b>3.54</b>	<b>1.81</b>

<b>14 Trade receivables</b>					
Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
<b>Trade receivables [Unsecured]</b>					
Considered good	274.47	130.64	130.34	105.39	71.07
Credit impaired	-	57.58	52.97	51.58	40.99
	<b>274.47</b>	<b>188.22</b>	<b>183.31</b>	<b>156.97</b>	<b>112.06</b>
Loss allowance (refer note (a) below)	(63.92)	(57.58)	(52.97)	(51.58)	(40.99)
<b>Total</b>	<b>210.55</b>	<b>130.64</b>	<b>130.34</b>	<b>105.39</b>	<b>71.07</b>
<b>(a) Details of provision for impairment</b>					
Opening balance	57.58	51.58	51.58	40.99	25.72
Add: Loss allowance during the period / year	6.34	6.00	1.39	10.59	15.27
<b>Closing balance</b>	<b>63.92</b>	<b>57.58</b>	<b>52.97</b>	<b>51.58</b>	<b>40.99</b>

The Group has used a practical expedient by computing the expected credit loss allowance for receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix. Additionally the group accrues for any provision on a case to case basis based on its interactions with the insurance agencies.

For details of trade receivables pledged as security for borrowings refer note 18

For details of credit risk refer note 39

<b>(b) Trade receivables ageing schedule</b>						
Particulars	Outstanding for following period from due date of payment					Total
	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
<b>31-Mar-2019</b>						
Undisputed trade receivables - considered good	70.81	0.21	0.05	-	-	71.07
Undisputed trade receivables - credit impaired	1.32	9.66	18.72	4.51	6.78	40.99
<b>Total</b>	<b>72.13</b>	<b>9.87</b>	<b>18.77</b>	<b>4.51</b>	<b>6.78</b>	<b>112.06</b>
<b>31-Mar-2020</b>						
Undisputed trade receivables - considered good	105.30	0.06	-	0.03	-	105.39
Undisputed trade receivables - credit impaired	5.34	9.83	11.29	14.25	10.87	51.58
<b>Total</b>	<b>110.64</b>	<b>9.89</b>	<b>11.29</b>	<b>14.28</b>	<b>10.87</b>	<b>156.97</b>
<b>30-Sep-2020</b>						
Undisputed trade receivables - considered good	129.67	0.67	-	-	-	130.34
Undisputed trade receivables - credit impaired	2.42	14.10	8.99	12.31	15.15	52.97
<b>Total</b>	<b>132.09</b>	<b>14.77</b>	<b>8.99</b>	<b>12.31</b>	<b>15.15</b>	<b>183.31</b>
<b>31-Mar-2021</b>						
Undisputed trade receivables - considered good	130.33	0.18	0.13	-	-	130.64
Undisputed trade receivables - credit impaired	5.14	8.83	13.96	8.41	21.24	57.58
<b>Total</b>	<b>135.47</b>	<b>9.01</b>	<b>14.09</b>	<b>8.41</b>	<b>21.24</b>	<b>188.22</b>
<b>30-Sep-2021</b>						
Undisputed trade receivables - considered good	214.35	14.79	13.96	8.53	22.84	274.47
Undisputed trade receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>214.35</b>	<b>14.79</b>	<b>13.96</b>	<b>8.53</b>	<b>22.84</b>	<b>274.47</b>

<b>15 Cash and cash equivalents</b>					
Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Cash-in-hand	4.03	4.67	3.43	2.96	2.43
Balances with banks					
in current accounts	139.77	46.02	27.86	27.83	41.83
<b>Closing balance</b>	<b>143.80</b>	<b>50.69</b>	<b>31.29</b>	<b>30.79</b>	<b>44.26</b>

<b>15A Bank balances, other than above</b>					
Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
<b>Balances with banks</b>					
in Deposit account	10.64	-	-	-	-
<b>Closing balance</b>	<b>10.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note

16 Share Capital

Particulars	As at									
	30-Sep-2021		31-Mar-2021		30-Sep-2020		31-Mar-2020		31-Mar-2019	
	No. of shares	₹	No. of shares	₹	No. of shares	₹	No. of shares	₹	No. of shares	₹
<b>Authorised share capital</b>										
<b>Equity share capital</b>										
Equity shares of ₹ 10/- each [Refer note 45 (ii)]	9,500,000	95.00	9,500,000	95.00	9,500,000	95.00	9,500,000	95.00	9,500,000	95.00
<b>Instruments entirely equity in nature</b>										
Non-Cumulative Compulsorily Convertible Preference Shares ('NCCCPs')										
0.01% NCCCPs Class A of ₹ 10/- each	5,629,799	56.30	5,629,799	56.30	5,629,799	56.30	5,629,799	56.30	5,629,799	56.30
0.01% NCCCPs Class B of ₹ 10/- each	3,941,989	39.42	3,941,989	39.42	3,941,989	39.42	3,941,989	39.42	3,941,989	39.42
0.01% NCCCPs Class B1 of ₹ 100/- each	428,212	42.82	428,212	42.82	428,212	42.82	428,212	42.82	428,212	42.82
0.01% NCCCPs Class C of ₹ 100/- each	4,400,000	440.00	4,400,000	440.00	4,400,000	440.00	4,400,000	440.00	4,400,000	440.00
0.01% NCCCPs Class C1 of ₹ 100/- each	1,043,000	104.30	1,043,000	104.30	1,043,000	104.30	1,043,000	104.30	1,043,000	104.30
0.01% NCCCPs Class C2 of ₹ 300 each	500,000	150.00								
<b>Issued, subscribed and paid-up capital</b>										
<b>Equity share capital</b>										
Equity shares of										
₹ 10/- each fully paid-up	6,667,502	66.68	6,593,904	65.94	6,593,904	65.94	6,593,904	65.94	6,593,904	65.94
₹ 10/- each partly paid [₹ 1/- per share]	247,476	0.25	247,476	0.25	-	-	-	-	-	-
	<b>6,914,978</b>	<b>66.93</b>	<b>6,841,380</b>	<b>66.19</b>	<b>6,593,904</b>	<b>65.94</b>	<b>6,593,904</b>	<b>65.94</b>	<b>6,593,904</b>	<b>65.94</b>
<b>Instruments entirely equity in nature</b>										
0.01% NCCCPs Class A of ₹ 10/- each	5,629,799	56.30	5,629,799	56.30	5,629,799	56.30	5,629,799	56.30	5,629,799	56.30
0.01% NCCCPs Class B of ₹ 10/- each	3,154,744	31.55	3,154,744	31.55	3,154,744	31.55	3,154,744	31.55	3,154,744	31.55
0.01% NCCCPs Class B1 of ₹ 100/- each	428,212	42.82	428,212	42.82	428,212	42.82	428,212	42.82	428,212	42.82
0.01% NCCCPs Class C of ₹ 100/- each	4,389,540	438.95	4,389,540	438.95	4,389,540	438.95	4,389,540	438.95	4,389,540	438.95
0.01% NCCCPs Class C1 of ₹ 100/- each	1,042,209	104.22	1,042,209	104.22	1,042,209	104.22	1,042,209	104.22	1,042,209	104.22
0.01% NCCCPs Class C2 of ₹ 300 each	495,031	148.51	-	-	-	-	-	-	-	-
<b>Total</b>	<b>15,139,535</b>	<b>822.35</b>	<b>14,644,504</b>	<b>673.84</b>	<b>14,644,504</b>	<b>673.84</b>	<b>14,644,504</b>	<b>673.84</b>	<b>14,644,504</b>	<b>673.84</b>

As per the terms of the Shareholders agreement, it is noted that all series of NCCCPs are mandatory convertible either at the end of contract period i.e. 20 years or prior to the IPO. The Holding Company has no contractual obligation to pay cash nor does the holder have an option for redemption of the instrument. The conversion ratio is fixed as part of the shareholders agreement for all NCCCPs. Further, the drag along and tag along rights are within the shareholders, the arrangements does not impact the contractual terms with the Holding Company and there is no contractual obligation on the Holding Company to deliver cash or other financial asset as part of this arrangement. Hence the aforesaid instruments are classified as equity in nature.

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at									
	30-Sep-2021		31-Mar-2021		30-Sep-2020		31-Mar-2020		31-Mar-2019	
	No. of shares	₹	No. of shares	₹	No. of shares	₹	No. of shares	₹	No. of shares	₹
<i>Equity shares of ₹ 10/- each [Refer note 45 (ii)]</i>										
Opening balance	6,841,380	66.18	6,593,904	65.93	6,593,904	65.93	6,593,904	65.93	6,593,904	65.93
Issued during the period / year	73,598	0.74	247,476	0.25	-	-	-	-	-	-
<b>Closing balance</b>	<b>6,914,978</b>	<b>66.92</b>	<b>6,841,380</b>	<b>66.18</b>	<b>6,593,904</b>	<b>65.93</b>	<b>6,593,904</b>	<b>65.93</b>	<b>6,593,904</b>	<b>65.93</b>
<i>0.01% NCCCPs Class A of ₹ 10/- each</i>										
Opening balance	5,629,799	56.29	5,629,799	56.29	5,629,799	56.29	5,629,799	56.29	5,629,799	56.29
Issued during the period / year	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>5,629,799</b>	<b>56.29</b>	<b>5,629,799</b>	<b>56.29</b>	<b>5,629,799</b>	<b>56.29</b>	<b>5,629,799</b>	<b>56.29</b>	<b>5,629,799</b>	<b>56.29</b>
<i>0.01% NCCCPs Class B of ₹ 10/- each</i>										
Opening balance	3,154,744	31.55	3,154,744	31.55	3,154,744	31.55	3,154,744	31.55	3,154,744	31.55
Issued during the period / year	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>3,154,744</b>	<b>31.55</b>	<b>3,154,744</b>	<b>31.55</b>	<b>3,154,744</b>	<b>31.55</b>	<b>3,154,744</b>	<b>31.55</b>	<b>3,154,744</b>	<b>31.55</b>
<i>0.01% NCCCPs Class B1 of ₹ 100/- each</i>										
Opening balance	428,212	42.82	428,212	42.82	428,212	42.82	428,212	42.82	428,212	42.82
Issued during the period / year	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>428,212</b>	<b>42.82</b>	<b>428,212</b>	<b>42.82</b>	<b>428,212</b>	<b>42.82</b>	<b>428,212</b>	<b>42.82</b>	<b>428,212</b>	<b>42.82</b>
<i>0.01% NCCCPs Class C of ₹ 100/- each</i>										
Opening balance	4,389,540	438.95	4,389,540	438.95	4,389,540	438.95	4,389,540	438.95	4,389,540	438.95
Issued during the period / year	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>4,389,540</b>	<b>438.95</b>	<b>4,389,540</b>	<b>438.95</b>	<b>4,389,540</b>	<b>438.95</b>	<b>4,389,540</b>	<b>438.95</b>	<b>4,389,540</b>	<b>438.95</b>
<i>0.01% NCCCPs Class C1 of ₹ 100/- each</i>										
Opening balance	1,042,209	104.22	1,042,209	104.22	1,042,209	104.22	1,042,209	104.22	-	-
Issued during the period / year	-	-	-	-	-	-	-	-	1,042,209	104.22
<b>Closing balance</b>	<b>1,042,209</b>	<b>104.22</b>	<b>1,042,209</b>	<b>104.22</b>	<b>1,042,209</b>	<b>104.22</b>	<b>1,042,209</b>	<b>104.22</b>	<b>1,042,209</b>	<b>104.22</b>
<i>0.01% NCCCPs Class C2 of ₹ 300 each</i>										
Opening balance	-	-	-	-	-	-	-	-	-	-
Issued during the period / year	495,031	148.51	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>495,031</b>	<b>148.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(ii) Terms/ rights attached

(a) Equity shares of ₹ 10/- each [Refer note 45 (ii)]

The Holding Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Holding 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. With respect to partly paid shares issued during the year ended 31 March 2021, there are no voting rights and no dividend rights till such time that such shares remain partly paid-up.

In event of liquidation of the Holding Company, the holders of equity shares would be entitled to receive remaining assets of the Group, after distribution of all preferential amounts and adjustment of unpaid calls/un-called amounts as applicable. The distribution will be in proportion to the number of equity shares held by the shareholders.

The paid-up equity shares of ₹ 10/- each represents, 247,476 partly paid-up equity shares with face value of ₹ 10 per equity share and securities premium of ₹ 240 per equity share which were allotted, with called and paid-up capital of ₹ 1 per equity share during the year ended 31 March 2021.

**Note**

***Non-Cumulative Compulsorily Convertible Preference Shares ('NCCCPs' or 'NCCPS')***

**(b) 0.01% NCCCPs Class A of ₹ 10/- each**

The Holding Company has issued 5,629,799 NCCCPs Class A of ₹ 10 each fully paid-up at a premium of ₹ 69.93 per share. NCCCPs Class A carry non - cumulative dividend @ 0.01% p.a. proportionately for the period for which the shares are being held. In addition, the holders of NCCCPs Class A will be entitled to full participation in any distribution being undertaken by the Holding Company on full liability basis. The Holding 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. Each holder of NCCCPs Class A is entitled to vote at each meeting of the holders of the Equity shares to the extent of such proportion of the total voting rights, as they would have been entitled assuming full conversion of the NCCCPs Class A.

**(c) 0.01% NCCCPs Class B of ₹ 10/- each**

The Holding Company has issued 3,154,744 NCCCPs Class B of ₹ 10 each fully paid-up at a premium of ₹ 315.86 per share. NCCCPs Class B carry non - cumulative dividend @ 0.01% p.a. proportionately for the period for which the shares are being held. In addition, the holders of NCCCPs Class B will be entitled to full participation in any distribution being undertaken by the Holding Company on full liability basis. The Holding 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. Each holder of NCCCPs Class B is entitled to vote at each meeting of the holders of the Equity shares to the extent of such proportion of the total voting rights, as they would have been entitled assuming full conversion of the NCCCPs Class B.

**(d) 0.01% NCCCPs Class B1 of ₹ 100/- each**

The Holding Company has issued 428,212 NCCCPs Class B1 of ₹ 100 each fully paid-up at a premium of ₹ 297 per share. NCCCPs Class B1 carry non - cumulative dividend @ 0.01% p.a. proportionately for the period for which the shares are being held. In addition, the holders of NCCCPs Class B1 will be entitled to full participation in any distribution being undertaken by the Holding Company on full liability basis. The Holding 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. Each holder of NCCCPs Class B1 is entitled to vote at each meeting of the holders of the Equity shares to the extent of such proportion of the total voting rights, as they would have been entitled assuming full conversion of the NCCCPs Class B1.

**(e) 0.01% NCCCPs Class C of ₹ 100/- each**

The Holding Company has issued 4,389,540 NCCCPs Class C of ₹ 100 each fully paid-up at a premium of ₹ 475.70 per share. NCCCPs Class C carry non - cumulative dividend @ 0.01% p.a. proportionately for the period for which the shares are being held. In addition, the holders of NCCCPs Class C will be entitled to full participation in any distribution being undertaken by the Holding Company on full liability basis. The Holding 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. Each holder of NCCCPs Class C is entitled to vote at each meeting of the holders of the Equity shares to the extent of such proportion of the total voting rights, as they would have been entitled assuming full conversion of the NCCCPs Class C.

**(f) 0.01% NCCCPs Class C1 of ₹ 100/- each**

The Holding Company has issued 1,042,209 NCCCPs Class C1 of ₹ 100 each fully paid-up at a premium of ₹ 475.70 per share. NCCCPs Class C1 carry non - cumulative dividend @ 0.01% p.a. proportionately for the period for which the shares are being held. In addition, the holders of NCCCPs Class C1 will be entitled to full participation in any distribution being undertaken by the Holding Company on full liability basis. The Holding 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. Each holder of NCCCPs Class C1 is entitled to vote at each meeting of the holders of the Equity shares to the extent of such proportion of the total voting rights, as they would have been entitled assuming full conversion of the NCCCPs Class C1.

**(g) 0.01% NCCCPs Class C2 of ₹ 300 each**

The Holding Company has issued 4,95,030 NCCCPs Class C2 of ₹ 300 each fully paid-up at a premium of ₹ 306.02 per share. NCCCPs Class C2 carry non - cumulative dividend @ 0.01% p.a. proportionately for the period for which the shares are being held. In addition, the holders of NCCCPs Class C2 will be entitled to full participation in any distribution being undertaken by the Holding Company on full liability basis. The Holding 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. Each holder of NCCCPs Class C2 is entitled to vote at each meeting of the holders of the Equity shares to the extent of such proportion of the total voting rights, as they would have been entitled assuming full conversion of the NCCCPs Class C2.

**(h) Each holder of NCCCPs Class A may opt to convert its preference shares into 1 equity share of the Holding Company at the earlier of the following events:**

(a) Qualified Initial Public Offering (IPO) as acceptable to the holder; (b) At any time prior to the expiry of 20 years from the completion dates, viz., May 27, 2011 ; (c) Immediately upon the expiry of 20 years from the completion dates, viz., May 27, 2011. In the event of liquidation of the Holding Company before conversion of NCCCPs Class A, the holders of NCCCPs Class A will have priority over equity shares in the repayment of capital.

**(i) Each holder of NCCCPs Class B may opt to convert its preference shares into 1 equity share of the Company at the earlier of the following events:**

(a) IPO as acceptable to the holder; (b) At any time prior to the expiry of 20 years from the completion dates, viz., October 25, 2013; and (c) Immediately upon the expiry of 20 years from the completion dates, viz., October 25, 2013. In the event of liquidation of the Holding Company before conversion of NCCCPs Class B, the holders of NCCCPs Class B will have priority over equity shares in the repayment of capital.

**(j) Each holder of NCCCPs Class B1 may opt to convert its preference shares into 0.84 equity share of the Holding Company at the earlier of the following events:**

(a) IPO as acceptable to the holder; (b) At any time prior to the expiry of 20 years from the completion dates, viz., September 02, 2015; and (c) Immediately upon the expiry of 20 years from the completion dates, viz., September 02, 2015. In the event of liquidation of the Holding Company before conversion of NCCCPs Class B1, the holders of NCCCPs Class B1 will have priority over equity shares in the repayment of capital.

**(k) Each holder of NCCCPs Class C may opt to convert its preference shares into 1 equity share of the Holding Company at the earlier of the following events:**

(a) IPO as acceptable to the holder; (b) At any time prior to the expiry of 20 years from the completion dates, viz., December 22, 2015 and December 08, 2016; and (c) Immediately upon the expiry of 20 years from the completion dates, viz., December 22, 2015 and December 08, 2016. In the event of liquidation of the Company before conversion of NCCCPs Class C, the holders of NCCCPs Class C will have priority over equity shares in the repayment of capital.

**(l) Each holder of NCCCPs Class C1 may opt to convert its preference shares into 1 equity share of the Holding Company at the earlier of the following events:**

(a) IPO as acceptable to the holder; (b) At any time prior to the expiry of 20 years from the completion dates, viz., June 05, 2018; and (c) Immediately upon the expiry of 20 years from the completion dates, viz., June 05, 2018. In the event of liquidation of the Holding Company before conversion of NCCCPs Class C1, the holders of NCCCPs Class C1 will have priority over equity shares in the repayment of capital.

**(m) Each holder of NCCCPs Class C2 may opt to convert its preference shares into 1 equity share of the Holding Company at the earlier of the following events:**

(a) IPO as acceptable to the holder; (b) At any time prior to the expiry of 20 years from the completion dates, viz., September 02, 2021; and (c) Immediately upon the expiry of 20 years from the completion dates, viz., September 02, 2021. In the event of liquidation of the Holding Company before conversion of NCCCPs Class C2, the holders of NCCCPs Class C2 will have priority over equity shares in the repayment of capital.



Note

(iii) Details of shareholders holding more than 5% shares in the company:

Particulars	As at									
	30-Sep-2021		31-Mar-2021		30-Sep-2020		31-Mar-2020		31-Mar-2019	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
<b>Equity shares of ₹ 10/- each [Refer note 45 (ii)]</b>										
Dr. R. Kishore Kumar	2,739,177	41.08%	2,739,177	41.54%	2,739,177	41.54%	2,739,177	41.54%	2,739,177	41.54%
Scrips N Scrolls India Private Limited	2,099,177	31.48%	2,799,177	42.45%	2,799,177	42.45%	2,799,177	42.45%	2,799,177	42.45%
SCI Growth Investments II	435,796	6.54%	435,796	6.61%	435,796	6.61%	435,796	6.61%	435,796	6.61%
<b>0.01% NCCCPs Class A of ₹ 10/- each</b>										
Matrix Partners India Investments, LLC	-	0.00%	3,319,568	58.96%	3,319,568	58.96%	3,319,568	58.96%	3,319,568	58.96%
Newquest Asia Fund IV (Singapore) Pte Ltd	3,319,568	58.96%	-	-	-	-	-	-	-	-
True North Fund V LLP	2,310,231	41.04%	2,310,231	41.04%	2,310,231	41.04%	2,310,231	41.04%	2,310,231	41.04%
<b>0.01% NCCCPs Class B of ₹ 10/- each</b>										
SCI Growth Investments II	2,387,534	75.68%	2,387,534	75.68%	2,387,534	75.68%	2,387,534	75.68%	2,387,534	75.68%
Newquest Asia Fund IV (Singapore) Pte Ltd	767,210	24.32%	-	-	-	-	-	-	-	-
Matrix Partners India Investments, LLC	-	-	767,210	24.32%	767,210	24.32%	767,210	24.32%	767,210	24.32%
<b>0.01% NCCCPs Class B1 of ₹ 100/- each</b>										
SCI Growth Investments II	302,267	70.59%	302,267	70.59%	302,267	70.59%	302,267	70.59%	302,267	70.59%
Newquest Asia Fund IV (Singapore) Pte Ltd	125,945	29.41%	-	-	-	-	-	-	-	-
Matrix Partners India Investments, LLC	-	-	125,945	29.41%	125,945	29.41%	125,945	29.41%	125,945	29.41%
<b>0.01% NCCCPs Class C of ₹ 100/- each</b>										
Indium V (Mauritius) Holdings Limited	2,171,270	49.46%	2,171,270	49.46%	2,171,270	49.46%	2,171,270	49.46%	2,171,270	49.46%
True North Fund V LLP	2,218,270	50.54%	2,218,270	50.54%	2,218,270	50.54%	2,218,270	50.54%	2,218,270	50.54%
<b>0.01% NCCCPs Class C1 of ₹ 100/- each</b>										
True North Fund V LLP	1,042,209	100.00%	1,042,209	100.00%	1,042,209	100.00%	1,042,209	100.00%	1,042,209	100.00%
<b>0.01% NCCCPs Class C2 of ₹ 300 each</b>										
Newquest Asia Fund IV (Singapore) Pte Ltd	495,031	100.00%	-	-	-	-	-	-	-	-

(iv) There are no shares held by any party which would get classified as holding company or ultimate holding company.

(v) There are no unpaid calls on partly paid shares as at the respective period ends.

(vi) Shares reserved for issue under options

The Holding Company issued stock options to employees. For details of shares reserved for issue under the Employee Stock Option Plan ("ESOP") and Associate Stock Option Plan ("ASOP") of the Holding Company refer note 35

(vii) For details of shares reserved for issue on conversion of NCCCPs refer note 16 (ii).

(viii) The Holding Company has not issued bonus shares during the period of five years immediately preceding the balance sheet date.

(ix) The Holding Company has not issued shares for consideration other than cash, during the period of five years immediately preceding the balance sheet date.

(x) The Holding Company has not bought back any shares, during the period of five years immediately preceding the balance sheet date.

(xi) The Holding Company does not have an identifiable promoter in terms of the Companies Act, 2013.

Note

17 Other equity Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Securities premium	4,292.57	4,135.55	4,135.55	4,135.55	4,135.55
Shared based payment	46.22	46.27	42.59	38.73	27.84
Other contributions by owners	42.46	42.46	-	-	-
General reserve	3.67	3.67	1.76	0.37	0.37
Retained earnings	(3,029.48)	(2,929.71)	(2,762.36)	(2,579.34)	(2,493.88)
<b>Total other equity</b>	<b>1,355.44</b>	<b>1,298.24</b>	<b>1,417.54</b>	<b>1,595.31</b>	<b>1,669.88</b>
<b>Securities premium (refer note (a) below)</b>					
Opening balance	4,135.55	4,135.55	4,135.55	4,135.55	3,639.77
Add: Premium on issue of equity shares	11.03	-	-	-	-
Add: Premium on Issue of NCCCPs Class C1	-	-	-	-	495.78
Add: Premium on Issue of NCCCPs Class C2	151.49	-	-	-	-
Add: Transfer from share based payments reserve on exercise of options	2.86	-	-	-	-
Less: Share issue expenses	(8.36)	-	-	-	-
<b>Closing balance</b>	<b>4,292.57</b>	<b>4,135.55</b>	<b>4,135.55</b>	<b>4,135.55</b>	<b>4,135.55</b>
<b>Shared based payment (refer note (b) below)</b>					
Opening balance	46.27	38.73	38.73	27.84	23.24
Add: Share based payment expense for the period / year	2.81	10.84	5.25	10.89	4.97
Less: Transferred to securities premium on exercise of options during the period / year	(2.86)	-	-	-	-
Less: Transferred to general reserve on lapse of share options during the period / year	-	(3.30)	(1.39)	-	(0.37)
<b>Closing balance</b>	<b>46.22</b>	<b>46.27</b>	<b>42.59</b>	<b>38.73</b>	<b>27.84</b>
<b>Other contributions by owners (refer note (c) below)</b>					
Opening balance	42.46	-	-	-	-
Add: Transactions during the period / year	-	42.46	-	-	-
<b>Closing balance</b>	<b>42.46</b>	<b>42.46</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>General reserve (refer note (b) below)</b>					
Opening balance	3.67	0.37	0.37	0.37	-
Add: Amount transferred on lapse of share options during the period / year	-	3.30	1.39	-	0.37
<b>Closing balance</b>	<b>3.67</b>	<b>3.67</b>	<b>1.76</b>	<b>0.37</b>	<b>0.37</b>
<b>Retained earnings</b>					
<b>Balance as on March 31 (refer note (e))</b>	<b>(2,929.71)</b>	<b>(2,579.34)</b>	<b>(2,579.34)</b>	<b>(2,493.88)</b>	<b>(1,831.69)</b>
Impact on account of adoption of Ind AS 116 (refer note (e))				214.79	
<b>Balance as on April 1 (refer note (e))</b>	<b>(2,929.71)</b>	<b>(2,579.34)</b>	<b>(2,579.34)</b>	<b>(2,279.09)</b>	<b>(1,831.69)</b>
Loss for the year/period	(101.99)	(351.34)	(183.97)	(298.35)	(657.71)
Other comprehensive income / (loss) for the period / year (refer note (d) below)	2.22	0.97	0.95	(1.90)	(4.48)
<b>Closing balance</b>	<b>(3,029.48)</b>	<b>(2,929.71)</b>	<b>(2,762.36)</b>	<b>(2,579.34)</b>	<b>(2,493.88)</b>

- (a) Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.
- (b) Share based payments is used to record the grant date fair value of equity-settled share based payment transactions with employees and associates/consultants. The amounts recorded in this account are transferred to securities premium upon exercise of stock options. In case of lapse or forfeiture after the vesting date, corresponding balance is transferred to general reserve.
- (c) Represents other contributions by shareholders in the nature of waiver of amounts payable to them upon issuance of 247,476 partly paid-up equity shares with face value of ₹ 10 per equity share and securities premium of ₹ 240 per equity share which were allotted, with called and paid-up capital of ₹ 1 per equity share during the year ended 31 March 2021.
- (d) As required under Ind AS compliant Schedule III, the Group has recognised remeasurement gains/(losses) of defined benefit plans (net of tax) as part of retained earnings, in accordance with Notification G.S.R 207 (E), dated March 24, 2021.
- (e) Ind AS 116, Leases is applicable for annual reporting periods beginning on or after 1 April 2019. The Group adopted modified retrospective transition option wherein the right of use asset is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease. The Group has applied the requirements of Ind AS 116 retrospectively for the purpose of preparation of restated consolidated financial information for the year ended March 31, 2019 which has resulted in the restated equity balance as at the balance sheet date immediately prior to the date of adoption, i.e., March 31 2019 being different from the opening equity balance as at April 1, 2019 due to applying transition provisions at different dates. Hence, the closing equity balance as at March 31, 2019 of the restated consolidated financial information has not been carried forward to opening equity balance as at transition date (i.e. April 1, 2019). (Also refer note 46)

Restated Consolidated Financial Information  
(Amount in ₹ millions, except as otherwise stated)

Note

18

Borrowings Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
<b>Non-current</b>					
<b>[At amortised cost]</b>					
Term loan from					
Banks [Secured]	628.45	342.70	288.25	322.66	312.70
Banks [Unsecured]	0.09	2.82	3.61	3.55	5.00
Financial institutions [Secured]	-	-	-	21.57	36.98
Vehicle loan [Secured]	4.98	5.98	6.93	7.84	-
Loan from Director [Unsecured]	1.60	1.60	1.60	1.60	1.60
<b>Non-current borrowings</b>	<b>635.12</b>	<b>353.10</b>	<b>300.39</b>	<b>357.22</b>	<b>356.28</b>
<b>Current</b>					
<b>[At amortised cost]</b>					
Loan repayable on demand					
Bank overdrafts [Secured]	4.58	16.89	51.54	66.19	13.15
Loan from Director [Unsecured]	-	-	0.90	-	-
Current maturities of non-current borrowings [Secured]	107.42	89.99	135.19	101.58	108.36
Current maturities of non-current borrowings [Unsecured]	1.87	1.76	1.65	1.89	1.46
<b>Current borrowings</b>	<b>113.87</b>	<b>108.64</b>	<b>189.28</b>	<b>169.66</b>	<b>122.97</b>

(i) For details of security, repayment terms and interest rate for non-current and current borrowings refer below

(ii) For details on interest rate exposure and liquidity risks refer note 39

(iii) As at above reporting periods, there were no instance of any creation of charges or satisfaction of charges which are yet to be registered with Registrar of Companies [RoC].

(iv) As per the terms of the borrowings, the Holding Company and its subsidiary are not required to file quarterly returns or statements of current assets with banks or financial institutions.

(v) With regard to all the above borrowings from banks and financial institutions the Holding Company and its subsidiary has utilised the loans solely for the purposes for which they were taken.

Terms of Payment	Nature of Security	Interest Rate	As at				
			30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
<b>Non-current borrowings</b>							
<b>(i) Borrowings from Bank</b>							
Repayable in 60 - 86 monthly installments from 2013 - 2026.	Secured by: - First pari passu charge on entire moveable and immoveable fixed assets of the holding company. - Second pari passu on entire current assets of the holding company.	Effective rate of interest varies between 7% to 12% per annum	381.15	432.59	393.82	409.10	396.86
Repayable in 22 quarterly installments from 2022 - 2029.	Secured by: - First pari passu charge on entire moveable and immoveable fixed assets of the holding company. - Second pari passu on entire current assets of the holding company.	Effective rate of interest is 8.5% per annum	348.02	-	-	-	-
Repayable in 43 monthly installments from 2019 - 2022.	Unsecured Indian rupee loan.	Effective rate of interest is 13% per annum	1.96	2.82	3.61	3.55	5.00
Repayable in 36 monthly installments from 2021 - 2024.	Indian rupee term loan secured by book debts and having floating charge over movable property (not being pledge).	Effective rate of interest is 7.1% per annum	4.75	-	-	-	-
<b>(ii) Borrowings from financial institutions</b>							
The loan is repayable in 36 - 60 monthly installments from 2015 - 2022. The same has been fully repaid during the year ended 31 March 2021.	Secured by hypothecation of the medical equipment purchased out of loan proceeds.	rate of interest varies between 11% to 14% per annum	-	-	29.47	36.86	62.64
<b>(iii) Vehicle Loans</b>							
Vehicle loan is repayable in 60 monthly installments from 2020 - 2024.	Secured by hypothecation of the vehicles purchased out of loan proceeds.	rate of interest varies between 7% to 8% per annum	6.93	7.84	8.73	9.58	-
<b>(iv) Loan from director</b>							
Indian rupee loan from the director. The loan is repayable based on the terms of the loan agreement and after obtaining a no objection certificate from the Holding Company.	Unsecured Indian rupee loan.	Interest free	1.60	1.60	1.60	1.60	1.60
<b>Total non-current borrowings</b>			<b>744.41</b>	<b>444.85</b>	<b>437.23</b>	<b>460.69</b>	<b>466.10</b>
Less: Current maturities of non-current borrowings			(109.29)	(91.75)	(136.84)	(103.47)	(109.82)
<b>Non-current borrowings (Net)</b>			<b>635.12</b>	<b>353.10</b>	<b>300.39</b>	<b>357.22</b>	<b>356.28</b>

## Note

## 19 Other financial liabilities

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
<b>Non-current</b>					
Security deposit	6.16	2.21	5.65	5.82	11.95
<b>Total</b>	<b>6.16</b>	<b>2.21</b>	<b>5.65</b>	<b>5.82</b>	<b>11.95</b>
<b>Current</b>					
Security deposit	-	3.37	15.01	13.39	9.94
Payable towards purchase of property, plant & equipment	170.59	16.59	13.45	30.41	62.96
Employee benefits payable	55.83	63.54	37.22	38.62	34.14
Interest accrued but not due on borrowings	1.68	2.32	2.16	2.55	2.27
<b>Total</b>	<b>228.10</b>	<b>85.82</b>	<b>67.84</b>	<b>84.97</b>	<b>109.31</b>

## 20 Trade payables

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Total outstanding dues of micro and small enterprises (refer note (a) below)	1.07	0.96	0.33	1.40	0.98
Total outstanding dues of creditors other than micro and small enterprises					
Payable to related parties (refer note 36)	-	0.03	1.29	0.40	0.81
Payable to other parties	606.55	497.49	472.25	396.24	284.97
<b>Total</b>	<b>607.62</b>	<b>498.48</b>	<b>473.87</b>	<b>398.04</b>	<b>286.76</b>

Trade payables are generally non-interest bearing and on terms of upto 90 days.

## (a) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Principal amount remaining unpaid to any supplier as at the end of the accounting period / year	1.07	0.96	0.33	1.40	0.98
Interest due thereon remaining unpaid to any supplier as at the end of the accounting period / year	-	-	-	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-	-	-
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 period / year) but without adding the interest specified under the Act	-	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting period / year	-	-	-	-	-
The amount of further interest due and payable even in the succeeding period / year, until such date when the interest dues as above are actually paid	-	-	-	-	-

The above information regarding dues to Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of the information available with the Group.

Note

## (b) Trade payables ageing schedule

Particulars	Unbilled and not due	Outstanding for following period from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
<b>31-Mar-2019</b>							
Micro small and medium enterprises	-	0.98	-	-	-	-	0.98
Payable to related parties (refer note 36)	-	0.81	-	-	-	-	0.81
Payable to other parties	102.78	138.11	0.52	5.92	36.64	1.00	284.97
<b>Total</b>	<b>102.78</b>	<b>139.90</b>	<b>0.52</b>	<b>5.92</b>	<b>36.64</b>	<b>1.00</b>	<b>286.76</b>
<b>31-Mar-2020</b>							
Micro small and medium enterprises	-	1.40	-	-	-	-	1.40
Payable to related parties (refer note 36)	-	0.39	0.01	-	-	-	0.40
Payable to other parties	199.80	135.82	1.11	23.91	14.99	20.61	396.24
<b>Total</b>	<b>199.80</b>	<b>137.61</b>	<b>1.12</b>	<b>23.91</b>	<b>14.99</b>	<b>20.61</b>	<b>398.04</b>
<b>30-Sep-2020</b>							
Micro small and medium enterprises	-	0.33	-	-	-	-	0.33
Payable to related parties (refer note 36)	-	1.29	-	-	-	-	1.29
Payable to other parties	318.80	131.83	1.60	2.57	2.19	15.26	472.25
<b>Total</b>	<b>318.80</b>	<b>133.45</b>	<b>1.60</b>	<b>2.57</b>	<b>2.19</b>	<b>15.26</b>	<b>473.87</b>
<b>31-Mar-2021</b>							
Micro small and medium enterprises	-	0.96	-	-	-	-	0.96
Payable to related parties (refer note 36)	-	0.03	-	-	-	-	0.03
Payable to other parties	240.98	118.20	3.56	120.50	7.28	6.97	497.49
<b>Total</b>	<b>240.98</b>	<b>119.19</b>	<b>3.56</b>	<b>120.50</b>	<b>7.28</b>	<b>6.97</b>	<b>498.48</b>
<b>30-Sep-2021</b>							
Micro small and medium enterprises	-	1.07	-	-	-	-	1.07
Payable to related parties (refer note 36)	-	-	-	-	-	-	-
Payable to other parties	389.99	195.18	9.66	3.88	1.85	5.97	606.53
<b>Total</b>	<b>389.99</b>	<b>196.25</b>	<b>9.66</b>	<b>3.88</b>	<b>1.85</b>	<b>5.97</b>	<b>607.60</b>

## 21 Other current liabilities

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
<b>Current</b>					
Advance from customers	118.57	81.90	85.59	70.22	69.50
Unearned revenue (refer note 24 (C))	0.26	0.21	0.08	0.20	0.19
Statutory dues payable	49.51	34.59	35.21	38.46	38.39
Bank overdraft	-	3.36	-	-	-
Other payables	30.95	4.62	2.85	1.87	1.57
<b>Total</b>	<b>199.29</b>	<b>124.68</b>	<b>123.73</b>	<b>110.75</b>	<b>109.65</b>

## 22 Provisions

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
<b>Non-current</b>					
Provision for employee benefits					
Gratuity (refer note 34)	1.63	1.37	1.12	0.95	0.68
	<b>1.63</b>	<b>1.37</b>	<b>1.12</b>	<b>0.95</b>	<b>0.68</b>
<b>Current</b>					
Provision for employee benefits					
Gratuity (refer note 34)	69.03	60.42	55.68	46.60	32.98
Leave benefits	80.74	70.70	69.46	57.50	51.35
<b>Total</b>	<b>149.77</b>	<b>131.12</b>	<b>125.14</b>	<b>104.10</b>	<b>84.33</b>

Note

23 Revenue from operations

A Revenue streams

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Sale of services - Healthcare services	3,262.98	2,241.95	4,755.06	4,445.20	3,586.72
Sale of goods - Pharmacy goods	427.62	341.28	748.50	679.28	562.63
Other operating revenue	25.87	19.37	42.30	38.56	32.47
<b>Total</b>	<b>3,716.47</b>	<b>2,602.60</b>	<b>5,545.86</b>	<b>5,163.04</b>	<b>4,181.82</b>

B Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Particulars	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Sale of services - Healthcare services					
In-patient	2,055.98	1,679.42	3,473.80	3,292.19	2,640.53
Out-patient	1,207.00	562.53	1,281.26	1,153.01	946.19
Sale of goods - Pharmacy goods	427.62	341.28	748.50	679.28	562.63
Other operating revenue	25.87	19.37	42.30	38.56	32.47
<b>Total</b>	<b>3,716.47</b>	<b>2,602.60</b>	<b>5,545.86</b>	<b>5,163.04</b>	<b>4,181.82</b>

Refer note 2.1 (I) for accounting policy related to revenue recognition.

C Contract balances

Contract asset					
Trade receivables (refer note (i) below)	210.55	130.34	130.64	105.39	71.07
Unbilled revenue (refer note (ii) below)	48.62	38.68	29.37	33.94	36.24
<b>Total</b>	<b>259.17</b>	<b>169.02</b>	<b>160.01</b>	<b>139.33</b>	<b>107.31</b>
Contract liabilities					
Advance from customers (refer note (iii) below)	118.57	85.59	81.90	70.22	69.50
Unearned revenue (refer note (iii) below)	0.26	0.21	0.08	0.20	0.19
<b>Total</b>	<b>118.83</b>	<b>85.80</b>	<b>81.98</b>	<b>70.42</b>	<b>69.69</b>
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the respective period	<b>55.98</b>	<b>52.36</b>	<b>70.42</b>	<b>80.99</b>	<b>39.42</b>

- (i) Trade receivables are non-interest bearing and are generally on credit terms of upto 30 days.
- (ii) Unbilled revenue pertains to transactions where performance obligation has been satisfied and contractual invoices have not been raised.
- (iii) Contract liabilities include advances received from customers and unearned revenue representing transaction price allocated to unsatisfied performance obligations. The unsatisfied performance obligations are expected to be recognized within one year.
- (iv) The change in contract assets and liabilities is attributable to increase in operations of the Group.

24 Other income

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Interest income on					
(i) Financial assets at amortised cost					
Bank Deposits	1.24	2.90	5.80	6.55	1.31
Other financial assets at amortised cost	11.69	8.88	15.72	10.72	36.67
(ii) Income Tax refund	0.36	7.59	9.81	0.08	0.08
Net gain on sale of current investments	1.56	0.32	1.79	7.16	24.25
Fair value gain on investments at fair value through profit or loss	0.07	0.14	0.42	0.06	1.89
Gain on disposal of property, plant & equipment, net	-	-	-	1.94	-
Liabilities no longer required written back	6.34	6.78	14.96	17.34	0.85
Rent concessions on lease rentals on account of COVID-19 (refer note 7(b))	-	26.32	36.23	-	-
Other non-operating income	18.46	12.90	35.06	53.03	36.85
<b>Total</b>	<b>39.72</b>	<b>65.83</b>	<b>119.79</b>	<b>96.88</b>	<b>101.90</b>

Note

25 Cost of materials consumed

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Inventory at the beginning	50.39	70.61	70.61	36.64	27.67
Add: Purchases during the year/period	634.18	231.18	473.74	420.57	337.16
	684.57	301.79	544.35	457.21	364.83
Less: Inventory at the end	(131.90)	(53.34)	(50.39)	(70.61)	(36.64)
<b>Total</b>	<b>552.67</b>	<b>248.45</b>	<b>493.96</b>	<b>386.60</b>	<b>328.19</b>

26A Purchase of stock-in-trade

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Purchase of traded goods	271.63	206.34	467.71	466.45	374.56
<b>Total</b>	<b>271.63</b>	<b>206.34</b>	<b>467.71</b>	<b>466.45</b>	<b>374.56</b>

26B Changes in inventory of stock-in-trade

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Inventory at the beginning	30.48	44.81	44.81	22.75	22.76
Inventory at the end	(35.32)	(26.46)	(30.48)	(44.81)	(22.75)
<b>Total</b>	<b>(4.84)</b>	<b>18.35</b>	<b>14.33</b>	<b>(22.06)</b>	<b>0.01</b>

27 Employee benefits expense

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Salaries, wages and bonus	581.90	513.75	1,009.23	910.53	799.69
Contribution to provident and other funds (refer note 34)	51.01	44.04	85.30	75.96	69.26
Share based payment expense (refer note 35)	2.81	5.25	10.84	10.89	4.97
Staff welfare expenses	12.14	5.95	16.21	13.47	14.52
<b>Total</b>	<b>647.86</b>	<b>568.99</b>	<b>1,121.58</b>	<b>1,010.85</b>	<b>888.44</b>

28 Finance costs

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Interest on					
borrowings from banks	27.54	23.79	43.29	50.35	46.88
borrowings from financial institutions	0.10	2.43	3.85	6.38	10.52
lease liability (refer note 7)	220.34	158.85	337.35	319.54	333.98
other financial liabilities at amortised cost	-	0.78	1.61	1.62	1.80
Other charges	16.32	19.30	38.51	42.87	33.25
<b>Total</b>	<b>264.30</b>	<b>205.15</b>	<b>424.61</b>	<b>420.76</b>	<b>426.43</b>

29 Depreciation and Amortisation expense

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Depreciation of property, plant and equipment (refer note 3)	210.42	165.85	339.66	324.42	306.36
Depreciation of Right-of-use assets (refer note 7)	254.91	180.66	377.53	346.86	341.30
Amortisation of intangible assets (refer note 5(b))	3.36	3.42	6.93	6.73	4.15
<b>Total</b>	<b>468.69</b>	<b>349.93</b>	<b>724.12</b>	<b>678.01</b>	<b>651.81</b>

Note

**30 Other expenses**

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Rent (refer note 7)	10.61	4.14	9.15	10.46	14.86
Power and fuel	77.15	74.16	126.94	124.33	114.43
Laboratory and radiology expenses	60.93	57.88	105.22	100.79	84.98
Housekeeping expenses	88.91	78.15	159.61	154.32	132.94
Food and beverages	48.04	35.32	69.98	56.36	47.69
Rates and taxes	45.57	13.51	87.27	94.97	85.20
Insurance	5.42	2.19	8.23	3.27	5.74
Repairs and maintenance					
Plant and machinery	20.45	18.92	41.71	34.58	26.50
Buildings	19.77	14.61	42.72	37.22	30.92
Others	7.26	7.49	12.79	8.75	15.21
Advertising and sales promotion	32.96	14.42	47.08	78.05	104.91
Brokerage and commission	5.70	0.08	5.98	3.80	3.29
Travelling and conveyance	13.07	6.14	16.73	28.08	24.28
Communication costs	21.42	16.19	34.11	31.22	39.55
Printing and stationery	19.78	14.72	30.47	32.29	32.99
Legal and professional fees	19.75	23.94	70.35	52.21	66.77
Insurance processing fees	15.20	5.18	15.97	3.61	2.51
Photo expenses	16.79	13.84	28.29	25.32	20.19
Payment to auditors (refer note (i) below)	-	2.13	4.02	3.97	4.09
Loss allowances on trade receivables	6.33	1.39	6.00	10.59	15.27
Bad debts written off	0.17	1.07	1.45	0.49	0.25
Loss on disposal of property, plant and equipment, net	0.83	0.12	3.15	-	-
Capital work in progress written off	0.51	-	-	21.00	-
Software expenses	38.60	24.96	61.04	48.29	40.86
Security expenses	31.83	25.36	54.10	48.48	54.25
Donation	-	-	-	0.09	-
Miscellaneous expenses	33.41	12.38	43.56	32.88	25.83
<b>Total</b>	<b>640.46</b>	<b>468.29</b>	<b>1,085.92</b>	<b>1,045.42</b>	<b>993.51</b>
(i) <b>Payment to auditors (excluding goods and services tax):*</b>					
Audit fee	-	2.12	4.01	3.95	4.00
Reimbursement of expenses	-	0.01	0.01	0.02	0.09
<b>Total</b>	<b>-</b>	<b>2.13</b>	<b>4.02</b>	<b>3.97</b>	<b>4.09</b>

\* Payments disclosed for other than September 30, 2021, represent payments made to the erstwhile auditors of the holding company.

(ii) Other expenses include:

(a) The Group had availed services (Laboratory and radiology expenses) of ₹ Nil, ₹ Nil, ₹ Nil, ₹ 21.59 million and ₹ 22.01 million from Suburban Diagnostics Private Limited for the year/period ended September 30, 2021, March 31, 2021, September 30, 2020, March 31, 2020 and March 31, 2019 respectively.

The Group had a payable towards such services availed of ₹ Nil, ₹ Nil, ₹ Nil, ₹ 2.33 million and ₹ 1.59 million to Suburban Diagnostics Private Limited as at September 30, 2021, March 31, 2021, September 30, 2020, March 31, 2020 and March 31, 2019 respectively.

(b) The Group had availed services (Travelling and conveyance) of ₹ Nil, ₹ 0.03 million, ₹ 0.03 million, ₹ 0.49 million and ₹ Nil from ANI Technologies Private Limited for the year/ period ended September 30, 2021, March 31, 2021, September 30, 2020, March 31, 2020 and March 31, 2019 respectively.

The Group had advance recoverable towards such services of ₹ Nil, ₹ 0.01 million, ₹ 0.01 million, ₹ 0.04 million and ₹ Nil from ANI Technologies Private Limited as at September 30, 2021, March 31, 2021, September 30, 2020, March 31, 2020 and March 31, 2019 respectively.



Note

31 Taxes

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
(a) <b>Amounts recognised in the restated statement of profit and loss</b>					
Current tax	3.56	1.00	3.51	1.53	2.41
Deferred tax credit	(1.78)	(0.67)	(0.58)	(68.75)	(94.47)
<b>Tax expense / (credit) for the period/year</b>	<b>1.78</b>	<b>0.33</b>	<b>2.93</b>	<b>(67.22)</b>	<b>(92.06)</b>
(b) <b>Amounts recognised in other comprehensive income</b>					
Income tax relating to re-measurement (gains) / losses on defined benefit plans	(0.89)	(0.40)	(0.40)	0.77	2.03
<b>Total</b>	<b>(0.89)</b>	<b>(0.40)</b>	<b>(0.40)</b>	<b>0.77</b>	<b>2.03</b>
Amounts recognised in other comprehensive income pertaining to:					
(i) Items that will not be reclassified to profit or loss	(0.89)	(0.40)	(0.40)	0.77	2.03
(ii) Items that will be reclassified to profit or loss	-	-	-	-	-
	<b>(0.89)</b>	<b>(0.40)</b>	<b>(0.40)</b>	<b>0.77</b>	<b>2.03</b>
(c) <b>Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:</b>					
Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Profit / (Loss) before income tax	(96.81)	(182.63)	(344.15)	(363.43)	(746.79)
Statutory income tax rate	29.12%	29.12%	29.12%	29.12%	31.20%
<b>Tax on accounting profit at statutory income tax rate</b>	<b>(28.19)</b>	<b>(53.18)</b>	<b>(100.22)</b>	<b>(105.83)</b>	<b>(233.00)</b>
<b>Effect of:</b>					
Difference in rate from previous years*	-	-	-	23.62	-
Change in unrecognised deferred tax assets	29.97	-	-	-	-
Current year losses for which no deferred tax was recognised (other than on unabsorbed depreciation loss) including deductible temporary differences.	-	53.51	103.15	14.99	140.94
<b>Tax credit reported in the restated consolidated statement of profit and loss</b>	<b>1.78</b>	<b>0.33</b>	<b>2.93</b>	<b>(67.22)</b>	<b>(92.06)</b>

\*w.e.f 1 Apr 2019, pursuant to Finance Act, 2019, the tax rate changed from 30% (with 4% of cess) to 25% (with 12% of Surcharge and 4% of cess). The Holding Company has accordingly re-measured the deferred tax asset which has resulted in reversal of deferred tax amounting to Rs. 23.62 million during the previous year ended March 31, 2020.

The Taxation Laws (Amendment) Ordinance, 2019 ('Ordinance') provides an option to domestic companies to pay income-tax at a lower rate of 25.17% instead of the normal rate of 29.12% (as applicable to the Company), if it opts for not availing of certain specified exemptions or incentives. The Holding Company has made an assessment of the impact of the Ordinance and has decided to not opt for the lower tax rate of 25.17%. Consequently, the Holding Company has continued to measure the current and deferred taxes at the normal rate of 29.12%.

(d) **Deferred tax assets/(liabilities) - net**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Provision for employee benefits	0.82	0.60	0.46	0.26	0.21
Others	0.80	0.13	0.36	0.38	0.22
Unabsorbed tax depreciations carried forward	423.96	423.96	423.96	423.88	354.56
<b>Net deferred tax assets/(liabilities)</b>	<b>425.58</b>	<b>424.69</b>	<b>424.78</b>	<b>424.52</b>	<b>354.99</b>

The above net deferred tax asset, excludes the impact arising from recognition of deferred tax assets on various items causing temporary differences to the extent of deferred tax liability arising from difference in net carrying value of Property, plant and equipment and other Intangible assets, between books and tax of Rs. 35.55 million, Rs. 50.05 million, Rs. 53.41 million, Rs. 58.88 million and Rs. 65.02 million as at September 30, 2021, March 31, 2021, September 30, 2020, March 31, 2020 and March 31, 2019, respectively. With regard to the deferred tax assets arising from other temporary differences, in excess of the liability and in the books, in the absence of sufficient reliable and reasonable estimates of taxable profits in the near future, the same have not been recognised. The above deferred tax asset has been recognised considering the Management's estimate of future taxable income being available over the period of benefit available over which such assets can be carried forward for set off against future taxable profits earned, considering the current size of operations of the Group.

(e) **Unrecognized timing differences and tax losses/credits**

Particulars	As at				
	30-Sep-21	31-Mar-21	30-Sep-20	31-Mar-20	31-Mar-19
Unabsorbed business losses	358.06	402.94	402.94	402.94	354.30
<b>Total Unabsorbed business losses</b>	<b>358.06</b>	<b>402.94</b>	<b>402.94</b>	<b>402.94</b>	<b>354.30</b>
<b>Particulars</b>	<b>30-Sep-21</b>	<b>31-Mar-21</b>	<b>30-Sep-20</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Impact of Ind AS 116 (Net impact of ROU Asset, Lease Liability and difference in Security Deposit)	104.00	39.18	28.50	2.85	13.93
Provision for employee benefits	44.71	39.42	37.73	16.33	27.84
Allowance for credit losses on receivables and loans	18.40	16.52	15.18	14.70	12.61
Others	22.81	80.40	51.51	27.21	12.63
<b>Other temporary differences</b>	<b>189.92</b>	<b>175.52</b>	<b>132.92</b>	<b>61.09</b>	<b>67.01</b>
<b>Total Unrecognised Deferred Tax</b>					
Deferred tax on unused tax losses *	358.06	402.94	402.94	402.94	354.30
Deferred tax on deductible temporary differences	189.92	175.52	132.92	61.09	67.01

\* The unused tax losses can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year in which the loss was first computed and would expire if not utilised starting from financial year 2023-24 to 2026-27.

Deferred tax assets have not been recognized in respect of certain items, because it is not probable that future taxable profit will be available against which the Group can utilise such assets. The above is arrived basis the balances/estimates as on reporting date.

Note

32 Earnings/ (Loss) per equity share [EPS]

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Restated loss after tax for the period / year attributable to equity holders of the parent	(101.99)	(183.97)	(351.34)	(298.35)	(657.71)
Weighted average number of equity shares for Basic earnings per share [WANES for Basic EPS]					
Weighted average number of equity shares	6,630,703	6,593,904	6,593,904	6,593,904	6,593,904
Weighted average number of equity shares to be issued upon conversion of mandatorily convertible instrument - NCCCPs (also refer note 17)	14,824,850	14,577,334	14,577,334	14,577,334	14,391,735
Impact arising from share split approved by the shareholders on January 17, 2022 retrospectively adjusted for all periods presented [Refer note 45 (ii)]	21,455,553	21,171,238	21,171,238	21,171,238	20,985,639
<b>Total WANES for Basic EPS</b>	<b>42,911,106</b>	<b>42,342,476</b>	<b>42,342,476</b>	<b>42,342,476</b>	<b>41,971,278</b>
Effect of dilution (refer note (a) below)	-	-	-	-	-
<b>Total WANES for Diluted EPS</b>	<b>42,911,106</b>	<b>42,342,476</b>	<b>42,342,476</b>	<b>42,342,476</b>	<b>41,971,278</b>
Nominal value per share [₹] [Refer note 45 (ii)]	5.00	5.00	5.00	5.00	5.00
<b>Basic EPS [₹ per share]</b>	<b>(2.38)</b>	<b>(4.34)</b>	<b>(8.30)</b>	<b>(7.05)</b>	<b>(15.67)</b>
<b>Diluted EPS [₹ per share]</b>	<b>(2.38)</b>	<b>(4.34)</b>	<b>(8.30)</b>	<b>(7.05)</b>	<b>(15.67)</b>

(a) Effect of dilution

For the purpose of computation of Diluted EPS, the effect of partly paid shares, ESOP and ASOP have not been given as the effect is anti-dilutive and the impact of NCCCPs, being a mandatorily convertible instrument, is not required to be considered for dilution purposes as the same has been included in the computation of Basic EPS.

With respect to partly paid shares issued during the above reporting periods, since there are no dividend rights till such time that such shares remain partly paid-up, the same have not been considered for calculation of Basic EPS.

33 Commitments and contingencies

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
<b>A Commitments</b>					
(i) Estimated amount of contracts remaining to be executed on capital account, net of capital advances and not provided for	557.02	120.12	62.76	62.94	12.37
(ii) Commitments under NCCCPs agreement (refer note 16)					
<b>B Contingent liabilities</b>					
(i) Contingent liability towards pending litigations related to disputed dues which has been contested by the Group at various forums:					
Income tax matters	10.29	10.29	10.29	15.17	15.17
Value added tax/Service tax matters	4.96	4.96	4.96	-	16.37
Customer related claims	278.23	170.53	170.53	66.29	66.29
(ii) Bank guarantee, issued against fixed deposit, which are in favor of various government authorities	0.19	0.44	0.44	0.49	0.10
(iii) Income tax matters are mainly on account of certain expenditure disallowed by department which have been contested by the Group at various forums. The Company does not anticipate this to significantly impact its financial statements.					
(iv) Service tax/Value added tax matters mainly pertains to dispute arising from demands made towards liability under reverse charge mechanism for certain works contract services received. These are not reimbursable.					
(v) The Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.					
(vi) On 28th February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Restated Consolidated Financial Informations.					
(vii) The Indian Parliament has approved the Code on Social Security, 2020 and Code on Wages, 2019 ['Codes'] relating to employee benefits during employment and post-employment benefits in September 2020 and the same has received Presidential Assent. The Codes have been published in the Gazette of Lyndia. However, the date on which the Codes will come into effect has not yet been notified. The Group will need to assess the impact of the above. The impact will be recorded in the first period after the Codes become effective.					

34 Employee benefits

A Defined contribution plans

The Group has a defined contribution plan. Contributions are made to the Provident fund, labour welfare fund and Employees State Insurance Scheme for employees at the specified rate of employee's salary as per the respective regulations. The contributions are made to registered provident fund, labour welfare fund and employee state insurance scheme administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

**Provident fund**

The Group provides provident fund benefits for eligible employees as per applicable regulations wherein both employees and the Group make monthly contributions at a specified percentage of the eligible employee's salary.

**Labour welfare fund**

The Group provides labour welfare fund for all eligible employees at rates specified as per applicable regulations. These contributions are recognised as employee benefit expenses.

**Employee State Insurance Scheme**

The Group provides employee state insurance scheme ['Scheme'] for all eligible employees at rates specified in the rules of the Schemes. These contributions are recognised as employee benefit expenses.

The Group's contribution towards above defined contribution plans for the period / year ended charged to restated consolidated statement of profit and loss:

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Provident fund	31.29	26.80	51.91	46.35	42.28
Labour welfare fund	0.21	0.02	0.31	0.24	0.16
Employee State Insurance Scheme	4.06	4.12	7.47	8.15	11.10

Note

**B Defined benefit plans**

**Gratuity**

The group has a defined benefit gratuity plan in India (funded). The group's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The defined benefit plan is administered by a Fund that is legally separated from the entity and governed by the Board of Trustees. The benefit vests upon completion of two years of continuous service and once vested it is payable to employees on retirement (age of 60 years) or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Group makes annual contribution to the Fund.

**(a) The principal assumptions used for the purposes of the actuarial valuations were as follows:**

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Discount rate	6.70%	6.70%	6.70%	6.75%	7.70%
Future salary benefit levels	8.15%	8.15%	8.15%	8.00%	8.50%
Rate of employee turnover					
Less than 2 years	35.20%	35.20%	35.20%	37.99%	32.76%
Less than 4 years	9.89%	9.89%	9.89%	10.68%	10.25%
5 years and above	2.04%	2.04%	2.04%	2.20%	2.15%
Retirement age in years	60	60	60	60	60
Mortality rate during employment (% of Indian assured life mortality 2012-14)	100%	100%	100%	100%	100%
Average remaining working life (in years)	28.77	28.82	28.96	29.25	29.21

**(b) Movements in the present value of the defined benefit obligations are as follows:**

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
<b>Opening defined benefit obligations</b>	<b>80.42</b>	<b>63.79</b>	<b>63.79</b>	<b>50.24</b>	<b>37.75</b>
Current service cost	13.40	11.52	22.40	18.63	14.37
Interest cost	2.66	2.12	4.30	3.87	2.62
Past service cost	-	-	-	-	-
Benefit paid from the fund	(4.21)	(4.10)	(7.98)	(10.43)	(10.15)
Remeasurement (gains)/losses:					
Actuarial (gains)/losses arising from changes in demographic assumptions	-	0.38	0.40	(0.10)	4.40
Actuarial (gains)/losses arising from changes in financial assumptions	0.04	2.11	2.39	4.65	(0.23)
Actuarial (gains)/losses arising from experience assumptions	(3.44)	(4.29)	(4.88)	(3.07)	1.48
<b>Closing defined benefit obligation</b>	<b>88.87</b>	<b>71.53</b>	<b>80.42</b>	<b>63.79</b>	<b>50.24</b>

**(c) Change in fair value of plan assets:**

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
<b>Fair value of plan assets at beginning of period / year</b>	<b>18.63</b>	<b>16.24</b>	<b>16.24</b>	<b>16.58</b>	<b>18.32</b>
Interest income	0.61	0.54	1.09	1.28	1.27
Contributions by the employer	3.50	2.50	10.00	10.00	8.00
Return on plan assets, excluding interest income	(0.32)	(0.45)	(0.72)	(1.19)	(0.86)
Benefit paid from the fund	(4.21)	(4.10)	(7.98)	(10.43)	(10.15)
<b>Fair value of plan assets at end of period / year</b>	<b>18.21</b>	<b>14.73</b>	<b>18.63</b>	<b>16.24</b>	<b>16.58</b>
Expected contribution to the plan assets in the next 12 months	70.66	55.61	60.34	46.54	32.94
<b>Major categories of plan assets of the fair value of total plan assets</b>					
Investment in insurance fund	100%	100%	100%	100%	100%

**(d) Amounts recognized in restated consolidated statement of assets and liabilities:**

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Present value of defined benefit obligation	88.87	80.42	71.53	63.79	50.24
Fair value of plan assets	(18.21)	(18.63)	(14.73)	(16.24)	(16.58)
<b>Net (liability) / asset recognized</b>	<b>70.66</b>	<b>61.79</b>	<b>56.80</b>	<b>47.55</b>	<b>33.66</b>
Current liability	1.63	1.37	1.12	0.95	0.68
Non-current liability	69.03	60.42	55.68	46.60	32.98

**(e) Expense recognised in the restated consolidated statement of profit and loss consists of:**

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Current service cost	13.40	11.52	22.40	18.63	14.37
Interest cost	2.05	1.58	3.21	2.59	1.35
Past service cost	-	-	-	-	-
<b>Total</b>	<b>15.45</b>	<b>13.10</b>	<b>25.61</b>	<b>21.22</b>	<b>15.72</b>

**(f) Expenses recognized in the other comprehensive income (OCI)**

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Actuarial (gains)/losses arising from changes in demographic assumptions	-	0.38	0.40	(0.10)	4.40
Actuarial (gain)/loss due to changes in financial assumptions	0.04	2.11	2.39	4.65	(0.23)
Actuarial (gain)/loss on account of experience adjustments	(3.44)	(4.29)	(4.88)	(3.07)	1.48
Return on plan assets excluding amounts included in interest income	0.32	0.45	0.72	1.19	0.86
<b>Total actuarial (gain)/loss recognised in OCI</b>	<b>(3.08)</b>	<b>(1.35)</b>	<b>(1.37)</b>	<b>2.67</b>	<b>6.51</b>

**Note**

- (g) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rate. Reasonably possible changes at the reporting date to one of the actuarial assumptions, holding all other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	Impact on net defined benefit obligation (Gratuity) as at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
<b>Discount rate</b>					
Increase by 100 basis points	(14.34)	(12.96)	(11.45)	(9.92)	(7.62)
Decrease by 100 basis points	17.89	16.15	14.33	12.34	9.43
<b>Salary increase</b>					
Increase by 100 basis points	16.82	15.11	13.42	11.56	8.86
Decrease by 100 basis points	(13.80)	(12.42)	(10.96)	(9.56)	(7.51)
<b>Employee turnover</b>					
Increase by 50 basis points	(4.10)	(5.13)	(4.48)	(3.82)	(2.39)
Decrease by 50 basis points	5.02	3.05	2.87	2.36	1.18

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(h) **Maturity analysis of the benefit payments (on undiscounted basis) :**

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Year 1	4.86	4.81	4.15	3.96	3.22
Year 2-5	15.22	13.71	12.77	12.36	10.28
Year 6-10	16.31	14.68	12.22	12.27	10.09
Above 10 years	298.88	273.95	244.38	211.59	206.86

**Defined benefit asset and liability matching strategies**

The Group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity liability occurring during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

**35 Share based payment**

(a) **Equity-settled employee stock option plan ['ESOP']**

On April 1, 2013, the compensation committee, appointed by the Board of Directors of Holding Company approved the equity settled "KCIPL ESOP 2013" for issue of stock options to various employees (including key employees) of the Holding Company. According to the scheme, the employees will be entitled to options, subject to satisfaction of the prescribed vesting conditions, i.e., continued employment with the Holding Company and on the basis of performance. There would be graded vesting on monthly basis for next 60 months (for time based vesting) and annual vesting for 5 years (for performance based vesting). The contractual life (comprising the vesting period and the exercise period) of options granted is upto 12 years from date of such grant. The other relevant terms of the grant are as below:

Particulars	ESOP
Vesting period in years	5
Grant date	Various
Exercise period [years from the date of vesting]	7
Expected life [years from the date of grant]	Upto 12 years
Exercise price varies in the range of	₹ 10 to ₹ 575.70

**Details of activity under the ESOP [No of options]**

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
<b>Options outstanding at the beginning of the period / year</b>	<b>430,233</b>	<b>443,658</b>	<b>443,658</b>	<b>323,329</b>	<b>308,418</b>
Transactions during the period / year					
Granted	31,870	24,195	24,195	189,189	19,976
Forfeited/lapsed	4,511	21,263	37,620	68,860	5,065
Exercised	73,598	-	-	-	-
<b>Options outstanding at the end of the period / year</b>	<b>383,994</b>	<b>446,590</b>	<b>430,233</b>	<b>443,658</b>	<b>323,329</b>
Options exercisable at the end of the period / year	230,682	246,488	235,449	218,381	181,292

**Details of weighted average exercise price of:**

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Options outstanding at the beginning of the period / year	₹373.74	₹354.25	₹354.25	₹389.93	₹374.19
Transactions during the period / year					
Granted	₹575.70	₹575.70	₹575.70	₹423.29	₹575.50
Forfeited/lapsed	₹575.70	₹575.70	₹497.23	₹575.70	₹164.30
Exercised	₹159.86	-	-	-	-
Options outstanding at the end of the period / year	₹429.12	₹374.52	₹373.74	₹354.25	₹389.93
Options exercisable at the end of the period / year	₹374.08	₹315.43	₹315.77	₹258.44	₹389.93

**Note**

**(b) Equity-settled associate stock option plan ['ASOP']**

On April 1, 2013, the compensation committee, appointed by the Board of Directors approved the equity settled "KCIPL ASOP 2013" for issue of stock options to various associates/consultants of the Holding Company. According to the scheme, the associates/consultants will be entitled to options, subject to satisfaction of the prescribed vesting conditions, i.e., continued association with the Holding Company and graded vesting on annual basis for 5 years. The contractual life (comprising the vesting period and the exercise period) of options granted is 12 years from date of such grant. The other relevant terms of the grant are as below:

Particulars	ASOP
Vesting period in years	5
Grant date	01-Apr-13
Exercise period [years from the date of vesting]	7
Expected life [years from the date of grant]	Upto 12 years
Exercise price	₹159.86

**Details of activity under the ASOP [No of Options]**

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
<b>Options outstanding at the beginning of the period / year</b>	<b>110,800</b>	<b>110,800</b>	<b>110,800</b>	<b>110,800</b>	<b>116,584</b>
Transactions during the period / year					
Granted	-	-	-	-	-
Forfeited/Lapsed	1,022	-	-	-	5,784
Exercised	-	-	-	-	-
<b>Options outstanding at the end of the period / year</b>	<b>109,778</b>	<b>110,800</b>	<b>110,800</b>	<b>110,800</b>	<b>110,800</b>
Options exercisable at the end of the period / year	109,778	110,800	110,800	110,800	110,800

**(c) Valuation of options**

The fair value of the share options is estimated at the grant date using Black Scholes Model [BS Model] taking into account the terms and conditions upon which the share options are granted. Inputs considered in BS Model for the grants provided during the respective period / year is as follows:

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	30%	30%	30%	30%	40%
Risk-free interest rate (%)	4.45% - 5.49%	4.45% - 5.49%	4.45% - 5.49%	6.59% - 7.42%	7.85%
Weighted average share price (₹)	391.20	391.20	391.20	390.00	390.00
Exercise price (₹)	575.70	575.70	575.70	423.29	575.70

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

**(d) Expense recognised for employee services received during the year under the above mentioned plans**

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Equity settled share based payment expense	2.81	5.25	10.84	10.89	4.97

**(e) Stock appreciation rights [cash settled 'SAR']**

The Holding Company has issued SAR which are cash settled to certain doctors associated with group, on a discretionary basis with a vesting period of five years. The settlement value of such SARs are based on the differential of the last primary funding price and the grant price. Total SAR outstanding is 58,223 as on September 30, 2021, March 31, 2021, September 30, 2020, March 31, 2020 and 38,539 as on March 31, 2019 and value of which as on September 30, 2021: ₹ 5.8 million, March 31, 2021: ₹ 6.12 million, September 30, 2020: ₹ 4.74 million, March 31, 2020: ₹ 4.50 million and March 31, 2019: ₹ 3.55 million. Expense for cash settled SAR's are recognised under Profession fees to consultant doctors ₹(0.32) million, ₹0.24 million, ₹1.62 million, ₹0.95 million, and ₹0.95 million as at September 30, 2021, March 31, 2021, September 30, 2020, March 31, 2020 and March 31, 2019 respectively.

## Note

## 36 Related party disclosures

## A Names of related parties and related party relationship

Particulars	Name of the related parties
Enterprises owned or significantly influenced by shareholders	True North Managers LLP Newquest Asia Fund IV (Singapore) Pte Ltd
Key management personnel ('KMP')	Mr. Rohit MA, Managing Director (Executive Director from January 4, 2022) Mr. Raviganesh Venkataraman, CEO and Executive Director (from April 17, 2019) Dr. R Kishore Kumar, Director Mr. Nitin Agarwal, Director (from 6 July 2021) Mr. Bharat Singh, Director (from 30 July 2019) Mr. Sumit Mohan Nadgir, Director (from 27 July 2020) Mr. Satish Chander Subbanna, Director Mr. Sandeep Bardia, Chief Financial Officer (from June 6, 2019) Mr. Ajit Bistangoudar, Company Secretary (upto December 31, 2018) Mr. Madhusudhan P, Company Secretary (from January 16, 2019) Mr. Akash Malik, CEO and Director (upto May 31, 2019) Dr. Akash N, Managing Director (from May 23, 2019) (subsidiary company) Mr. Sumit Kumar, Director (upto September 29, 2018) (subsidiary company) Dr. Bhanumathi Akash, Director (subsidiary company)
Relatives of KMP	Mrs. Vidya Kumar, wife of Dr. R Kishore Kumar, Director
Enterprises owned by KMP or their relatives	Cloudnine Foundation

## B Transactions with related parties during the period / year

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
<b>Reimbursement of expenses to/ (from)</b>					
True North Managers LLP	-	1.38	2.96	7.31	8.82
Dr. R Kishore Kumar, Director	0.01	-	0.01	0.19	0.46
Mr. Rohit MA, Managing Director (Executive Director from January 4, 2022)	-	-	0.01	0.02	1.11
Mr. Raviganesh Venkataraman, CEO and Executive Director	-	-	0.01	0.03	-
Mr. Sandeep Bardia, Chief Financial Officer	-	-	0.01	0.13	-
Dr. Akash N, Managing Director	0.15	0.08	0.14	0.14	0.12
Dr. Bhanumathi Akash, Director	0.05	0.03	0.13	0.16	0.05
Cloudnine Foundation	-	(0.06)	(1.03)	-	-
<b>Rent expense</b>					
Dr. R Kishore Kumar, Director	-	-	-	-	2.71
<b>Doctor's professional fees</b>					
Dr. R Kishore Kumar, Director	2.65	1.79	4.13	6.30	5.76
<b>Advances given</b>					
Dr. Akash N, Managing Director	0.03	0.15	0.15	-	-
Dr. Bhanumathi Akash, Director	0.01	0.20	0.20	-	-
<b>Advances recovered</b>					
Dr. Akash N, Managing Director	0.03	-	0.15	-	-
Dr. Bhanumathi Akash, Director	0.01	0.20	0.20	-	-
<b>Loans taken (refer note 18 (i))</b>					
Dr. Bhanumathi Akash, Director	1.50	1.00	1.00	-	-
<b>Repayment of loan</b>					
Dr. Akash N, Managing Director	-	-	-	-	(1.00)
Dr. Bhanumathi Akash, Director	(1.50)	(0.10)	(1.00)	-	-

During the year ended March 31, 2019, the Holding Company has issued 1,042,209 NCCCPs Class C1 of Rs. 100 each fully paid-up at a premium of Rs. 475.70 per preference share to True North Fund V LLP. For detailed terms of the issue of NCCCPs Class C1, please refer note 16(ii)(f).

During the period ended September 30, 2021, the Holding Company has issued 495,031 NCCCPs Class C2 of Rs. 300 each fully paid-up at a premium of Rs. 306.02 per preference share to Newquest Asia Fund IV (Singapore) Pte Ltd. For detailed terms of the issue of NCCCPs Class C2, please refer note 16(ii)(g).

Note

<b>C Balances with related parties</b>					
Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
<b>Trade payables/(receivables)</b>					
True North Managers LLP	-	(0.05)	1.28	0.25	0.51
Dr. R Kishore Kumar, Director	-	-	-	0.13	0.18
Mr. Rohit MA, Managing Director (Executive Director from January 4, 2022)	-	-	-	-	0.08
Mr. Raviganesh Venkataraman, CEO and Executive Director	-	-	-	0.01	-
Dr. Akash N, Managing Director	-	-	0.01	(0.04)	0.03
Dr. Bhanumathi Akash, Director	-	0.03	-	0.01	0.01
<b>Advances given</b>					
Dr. Akash N, Managing Director	-	-	0.15	-	-
<b>Loans taken (refer note 18 (i))</b>					
Dr. Akash N, Managing Director	1.60	1.60	1.60	1.60	1.60
Dr. Bhanumathi Akash, Director	-	-	0.90	-	-
<b>Other liabilities/(assets)</b>					
Cloudnine Foundation	-	(1.03)	(0.06)	-	-

<b>D Remuneration to key managerial personnel / officers of the Company or their relatives</b>					
Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
Dr. R Kishore Kumar, Director	5.89	5.87	11.76	12.96	9.43
Mr. Rohit MA, Managing Director (Executive Director from January 4, 2022)	5.89	5.89	11.77	12.95	9.42
Mrs. Vidya Kumar, wife of Dr. R Kishore Kumar, Director	0.89	0.88	1.77	1.77	1.77
Mr. Akash Malik, CEO and Director	-	-	-	9.74	15.28
Mr. Raviganesh Venkataraman, CEO and Executive Director	18.85	14.78	23.18	16.07	-
Mr. Sandeep Bardia, Chief Financial Officer	8.44	7.49	12.50	8.52	-
Mr. Ajit Bistangoudar, Company Secretary	-	-	-	-	1.12
Mr. Madhusudhan P, Company Secretary	1.12	1.04	1.96	1.83	0.38
Dr. Akash N, Managing Director	1.89	1.31	3.25	2.88	2.38
Dr. Bhanumathi Akash, Director	1.52	1.06	2.62	2.32	1.91

Remuneration comprises of short-term employee benefits and does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole.

**E Summary of the transactions and balances between holding company and its subsidiary (Aequity Labs Private Limited) eliminated on consolidation.**

Particulars	For six months period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
<b>Aequity Labs Private Limited</b>					
Laboratory and radiology expenses	27.39	19.62	45.60	33.52	19.11
Other income	-	-	-	1.00	-
Trade payables/(receivables)	5.34	3.18	4.58	3.55	2.83

**F** In respect of the transactions with the related parties, the Holding Company and its subsidiary has complied with the provisions of Section 188 of the Companies Act, 2013 where applicable, and the details have been disclosed above, as required by the applicable accounting standards. The provisions of Section 177 of the Companies Act, 2013 are not applicable to the Holding Company and its subsidiary.

**Note**

**37 Financial instrument - Accounting, Classification and Fair Values**

**(a) Financial assets and liabilities**

The following tables presents the carrying value of each category of financial assets and liabilities as at respective balance sheet date

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
<b>Financial assets</b>					
<b>Measured at fair value through profit and loss</b>					
Current investments - Investment in mutual funds (Level 1)	85.60	60.48	115.19	15.06	172.06
<b>Measured at amortised cost</b>					
Loans	6.27	2.50	3.52	3.54	1.81
Trade receivables	210.55	130.64	130.34	105.39	71.07
Cash and cash equivalents	143.80	50.69	31.29	30.79	44.26
Other financial assets	306.08	362.07	338.56	326.82	219.60
<b>Financial liabilities</b>					
<b>Measured at amortised cost</b>					
Borrowings	748.99	461.74	489.67	526.88	479.25
Lease liabilities	3,626.77	3,722.32	2,634.63	2,578.54	2,736.38
Trade payables	607.62	498.48	473.87	398.04	286.76
Other financial liabilities	234.26	88.03	73.49	90.79	121.26

(refer note 2.1 (s) for accounting policy related to financial instruments.

**(b) Fair value hierarchy**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

> The management has measured the investments in mutual funds at fair value through profit and loss, which are valued using the quoted market prices in active markets (Level 1) for identical investments.

> The management assessed that the carrying values of cash and bank balances, trade receivables, trade payables, and other financial assets and liabilities approximate their fair values largely due to their short-term maturities.

> The management assessed that the carrying values of bank deposits, borrowings and other financial assets and liabilities approximate their fair values based on cash flow discounting using parameters such as interest rates, tenure of instrument, creditworthiness of the customer and the risk characteristics of the financed project, as applicable.

- (i) All the financial assets and liabilities (except for Current Investments classified as level 1 as explained above) are measured at amortised cost where carrying amount approximates their fair value as on the balance sheet date.
- (ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.
- (iii) There have been no transfers between Level 1, Level 2 and Level 3, during the reporting period.

**38 Capital management**

The Group's objectives of capital management is to maximize the shareholder value. In order to maintain or adjust the capital structure, the Company may adjust the return to shareholders, issue/ buyback shares or sell assets to reduce debt. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt as below.

- Equity includes equity share capital and all other equity components attributable to the equity holders
- Net debt includes borrowings, trade payables and other financial liabilities, less cash & cash equivalents

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Total borrowings	748.99	461.74	489.67	526.88	479.25
Trade payables	607.62	498.48	473.87	398.04	286.76
Lease Liabilities	3,626.77	3,722.32	2,634.63	2,578.54	2,736.38
Other financial liabilities	234.26	88.03	73.49	90.79	121.26
Less: Cash and cash equivalents	(143.80)	(50.69)	(31.29)	(30.79)	(44.26)
<b>Net debt [A]</b>	<b>5,073.84</b>	<b>4,719.88</b>	<b>3,640.37</b>	<b>3,563.46</b>	<b>3,579.39</b>
<b>Total equity [B]</b>	<b>2,264.44</b>	<b>2,054.62</b>	<b>2,170.42</b>	<b>2,347.18</b>	<b>2,419.54</b>
<b>Equity plus net debt [ C = A + B ]</b>	<b>7,338.28</b>	<b>6,774.50</b>	<b>5,810.79</b>	<b>5,910.64</b>	<b>5,998.93</b>
<b>Gearing ratio [D = A/C]</b>	<b>69%</b>	<b>70%</b>	<b>63%</b>	<b>60%</b>	<b>60%</b>

**39 Financial risk management objectives and policies**

The Group's principal financial liabilities comprises of borrowings, lease liabilities, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, and cash that derive directly from its operations.

The Group is exposed to the following risks from its use of financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

The Group's management oversees the management of these risks and ensures that the group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision and are used exclusively for hedging purposes and not as trading or speculative instruments.

**(i) Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Group's exposure to credit risk arises majorly from trade receivables/ unbilled revenue and other financial assets.

Other financial assets are bank deposits with banks and hence, the Group does not expect any credit risk with respect to these financial assets.

With respect to other financial assets, the Group has constituted teams to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Group creates allowance for all unsecured receivables based on lifetime expected credit loss. At the balance sheet date, there was no significant concentration of credit risk and exposure thereon. Maximum exposure to credit risk of the Group has been listed below:

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Current investments	85.60	60.48	115.19	15.06	172.06
Loans	6.27	2.50	3.52	3.54	1.81
Trade receivables	210.55	130.64	130.34	105.39	71.07
Cash and cash equivalents	143.80	50.69	31.29	30.79	44.26
Other financial assets	306.08	362.07	338.56	326.82	219.60

**Trade receivables**

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.



Note

(ii) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of borrowings and lease contracts. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

**Maturities of financial liabilities**

Particulars	< 1 year	> 1 year	Total
<b>30-Sep-21</b>			
Borrowings (includes current borrowings repayable on demand)	173.80	878.91	1,052.71
Lease liabilities	739.84	4,603.54	5,343.38
Trade payables	607.62	-	607.62
Other financial liabilities	228.10	6.16	234.26
<b>31-Mar-21</b>			
Borrowings (includes current borrowings repayable on demand)	141.84	408.35	550.19
Lease liabilities	768.29	4,614.86	5,383.15
Trade payables	498.48	-	498.48
Other financial liabilities	85.82	2.21	88.03
<b>30-Sep-20</b>			
Borrowings (includes current borrowings repayable on demand)	225.20	350.56	575.76
Lease liabilities	532.19	3,758.16	4,290.35
Trade payables	473.87	-	473.87
Other financial liabilities	67.84	5.65	73.49
<b>31-Mar-20</b>			
Borrowings (includes current borrowings repayable on demand)	197.63	453.58	651.21
Lease liabilities	485.00	3,733.71	4,218.70
Trade payables	398.04	-	398.04
Other financial liabilities	84.97	5.82	90.79
<b>31-Mar-19</b>			
Borrowings (includes current borrowings repayable on demand)	212.32	401.75	614.07
Lease liabilities	477.53	4,219.06	4,696.59
Trade payables	286.76	-	286.76
Other financial liabilities	109.31	11.95	121.26

The group is using combination of the cash inflows from the financial assets and the available bank facilities to manage the liquidity. The group's current financial assets as at the balance sheet date are sufficient to discharge the current financial liabilities. In addition to this the group also has an unutilised borrowing limit of ₹684.60 million, ₹520.31 million, ₹472.97 million, ₹453.30 million and ₹204.35 million as at September 30, 2021, March 31, 2021, September 30, 2020, March 31, 2020 and March 31, 2019 respectively which is available as at the balance sheet date.

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity risk.

The sensitivity analysis in the following sections relate to the position as at the reporting dates. The sensitivity analysis has been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt. The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other long-term benefit obligations.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at the balance sheet date.

Interest rate risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in interest rate. The Group's exposure to the risk of changes in interest rates relates primarily to the Group's operating activities (when receivables or payables are subject to different interest rates) and the Group's net receivables or payables.

**Interest rate exposure: The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:**

Particulars	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Interest on variable rate borrowings	27.64	47.14	26.22	56.73	57.40

**Sensitivity analysis**

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on the Group's profit/(loss) before tax is due to changes in the fair value of interest-bearing financial liabilities i.e. borrowings.

Particulars	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Interest rates - increase by 1%	(3.25)	5.55	2.62	4.61	6.96
Interest rates - decrease by 1%	3.25	(5.55)	(2.62)	(4.61)	(6.96)

The analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A one per cent increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The Group's sensitivity to interest rates has increased in the current year due to the additional variable rate long term borrowings taken during the above reporting periods.

Kids Clinic India Limited (formerly known as Kids Clinic India Private Limited ) (CIN U85110KA2005PLC037953)  
Restated consolidated financial information  
(Amount in ₹ Millions, except for share data or as otherwise stated)

40 Material partly owned subsidiary

The consolidated financial statements of the Group includes the following subsidiary

Name of the subsidiary entity - incorporated in India	% Equity Interest				
	30-Sep-21	31-Mar-21	30-Sep-20	31-Mar-20	31-Mar-19
<b>Acquity Labs Private Limited</b>					
% Equity Interest held by the Holding Company	51.00%	51.00%	51.00%	51.00%	51.00%
% Equity Interest held by the non-controlling interests	49.00%	49.00%	49.00%	49.00%	49.00%
	100.00%	100.00%	100.00%	100.00%	100.00%

Financial information of subsidiary that have non-controlling interests

(i) Summary of assets and liabilities	As at				
	30-Sep-21	31-Mar-21	30-Sep-20	31-Mar-20	31-Mar-19
Current assets	83.54	51.54	18.98	16.45	13.91
Non-current assets	60.11	56.22	41.41	32.07	23.79
Current liabilities	(85.91)	(58.07)	(22.34)	(19.63)	(10.32)
Non-current liabilities	(17.50)	(16.33)	(11.32)	(4.21)	(7.20)
<b>Total Equity</b>	<b>40.24</b>	<b>33.36</b>	<b>26.73</b>	<b>24.68</b>	<b>20.18</b>
<b>Attributable to:</b>					
Equity holders of the parent	20.52	17.01	13.63	12.59	10.30
Non-Controlling Interests	19.72	16.35	13.10	12.09	9.88
	<b>40.24</b>	<b>33.36</b>	<b>26.73</b>	<b>24.68</b>	<b>20.18</b>

(ii) Summary of profit and loss	For the period/year ended				
	30-Sep-21	31-Mar-21	30-Sep-20	31-Mar-20	31-Mar-19
Total Revenue	120.09	146.26	41.88	70.82	45.30
Total Expenses	110.46	134.24	39.09	64.77	36.94
Profit before tax	9.63	12.02	2.79	6.05	8.36
Tax expense / (credit)	2.69	3.33	0.73	1.68	2.27
Profit for the period/year	6.94	8.69	2.06	4.37	6.09
Total comprehensive income for the period/year	6.88	8.68	2.05	4.36	6.08
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent	3.48	4.42	1.04	2.22	3.10
Non-Controlling Interests	3.40	4.26	1.01	2.14	2.98
	<b>6.88</b>	<b>8.68</b>	<b>2.05</b>	<b>4.36</b>	<b>6.08</b>

(iii) Summary of cash flows	For the period/year ended				
	30-Sep-21	31-Mar-21	30-Sep-20	31-Mar-20	31-Mar-19
Net cash flow from/(used in) operating activities	19.25	15.39	7.18	4.60	10.38
Net cash flow from/(used in) investing activities	(10.60)	(12.48)	(3.96)	(6.30)	(9.84)
Net cash flow from/(used in) financing activities	1.43	(4.85)	(0.56)	(4.02)	2.25
Net cash inflow/(outflow) for the year/period	10.08	(1.94)	2.66	(5.72)	2.79

Kids Clinic India Limited (formerly known as Kids Clinic India Private Limited ) (CIN U85110KA2005PLC037953)  
Restated Consolidated Financial Information  
(Amount in ₹ Millions, except for share data or as otherwise stated)

Note

41 Statutory Group Information

Particulars	As at		For the period ended					
	30-Sep-21		30-Sep-21					
	Net Assets		Share in Profit and Loss		Share in other comprehensive		Share in total comprehensive	
	% of consolidated net assets	Amount	% of consolidated Profit and Loss	Amount	% of consolidated OCI	Amount	% of consolidated TCI	Amount
<b>Parent</b>								
Kids Clinic India Private Limited	98.22%	2,225.37	107.04%	(105.48)	97.33%	2.19	107.27%	(103.29)
<b>Subsidiary</b>								
Acquity Labs Private Limited	1.78%	40.24	-7.04%	6.94	2.67%	0.06	-7.27%	7.00
<b>Subtotal</b>	100.00%	2,265.61	100.00%	(98.54)	100.00%	2.25	100.00%	(96.29)
Non-controlling interest		(19.72)		(3.40)		(0.03)		(3.43)
Adjustment arising on account of consolidation		(1.12)		-		-		-
		<b>2,244.77</b>		<b>(101.94)</b>		<b>2.22</b>		<b>(99.72)</b>

Particulars	As at		For the year ended					
	31-Mar-21		31-Mar-21					
	Net Assets		Share in Profit and Loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	% of consolidated net assets	Amount	% of consolidated Profit and Loss	Amount	% of consolidated OCI	Amount	% of consolidated TCI	Amount
<b>Parent</b>								
Kids Clinic India Private Limited	98.32%	1,949.50	102.21%	(393.93)	101.03%	0.98	102.22%	(392.95)
<b>Subsidiary</b>								
Acquity Labs Private Limited	1.68%	33.22	-2.21%	8.53	-1.03%	-0.01	-2.22%	8.52
<b>Sub-total</b>	100.00%	1,982.72	100.00%	(385.40)	100.00%	0.97	100.00%	(384.43)
Non-controlling interest		(16.27)		(4.21)		-		(4.21)
Adjustment arising on account of consolidation		(1.21)		-		-		-
		1,965.24		(389.61)		0.97		(388.64)
Ind AS 116 restatement adjustment (refer note 46)		73.03		38.27		-		38.27
		<b>2,038.27</b>		<b>(351.34)</b>		<b>0.97</b>		<b>(350.37)</b>

Particulars	As at		For the period ended					
	30-Sep-20		30-Sep-20					
	Net Assets		Share in Profit and Loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	% of consolidated net assets	Amount	% of consolidated Profit and Loss	Amount	% of consolidated OCI	Amount	% of consolidated TCI	Amount
<b>Parent</b>								
Kids Clinic India Private Limited	98.74%	2,067.24	100.86%	(227.88)	101.05%	0.96	100.86%	(226.92)
<b>Subsidiary</b>								
Acquity Labs Private Limited	1.26%	26.44	-0.86%	1.95	-1.05%	-0.01	-0.86%	1.94
<b>Sub-total</b>	100.00%	2,093.68	100.00%	(225.93)	100.00%	0.95	100.00%	(224.98)
Non-controlling interest		(12.97)		(0.90)		-		(0.90)
Adjustment arising on account of consolidation		(1.21)		-		-		-
		2,079.50		(226.83)		0.95		(225.88)
Ind AS 116 restatement adjustment (refer note 46)		77.82		43.06		-		43.06
		<b>2,157.32</b>		<b>(183.77)</b>		<b>0.95</b>		<b>(182.82)</b>

Kids Clinic India Limited (formerly known as Kids Clinic India Private Limited ) (CIN U85110KA2005PLC037953)  
Restated Consolidated Financial Information  
(Amount in ₹ Millions, except for share data or as otherwise stated)

Note

41 Statutory Group Information

Particulars	31-Mar-20							
	As at		For the year ended					
	31-Mar-20		31-Mar-20					
	Net Assets		Share in Profit and Loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	% of consolidated net assets	Amount	% of consolidated Profit and Loss	Amount	% of consolidated OCI	Amount	% of consolidated TCI	Amount
<b>Parent</b>								
Kids Clinic India Private Limited	98.93%	2,288.91	101.32%	(335.34)	99.47%	(1.88)	101.31%	(337.22)
<b>Subsidiary</b>								
Acquity Labs Private Limited	1.07%	24.70	-1.32%	4.36	0.53%	-0.01	-1.31%	4.35
<b>Sub-total</b>	100.00%	2,313.61	100.00%	(330.98)	100.00%	(1.89)	100.00%	(332.87)
Non-controlling interest		(12.07)		(2.13)		-		(2.13)
Adjustment arising on account of consolidation		(1.21)		-		(0.01)		(0.01)
Ind AS 116 restatement adjustment (refer note 46)		2,300.33		(333.11)		(1.90)		(335.01)
		2,335.09		(298.35)		(1.90)		(300.25)

Particulars	31-Mar-19							
	As at		For the year ended					
	31-Mar-19		31-Mar-19					
	Net Assets		Share in Profit and Loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	% of consolidated net assets	Amount	% of consolidated Profit and Loss	Amount	% of consolidated OCI	Amount	% of consolidated TCI	Amount
<b>Parent</b>								
Kids Clinic India Private Limited	99.23%	2,615.23	101.43%	(446.08)	99.78%	(4.46)	101.41%	(450.54)
<b>Subsidiary</b>								
Acquity Labs Private Limited	0.77%	20.37	-1.43%	6.28	0.22%	-0.01	-1.41%	6.27
	100.00%	2,635.60	100.00%	(439.80)	100.00%	(4.47)	100.00%	(444.27)
Non-controlling interest		(9.94)		(3.05)		-		(3.05)
Adjustment arising on account of consolidation		(1.14)		-		(0.01)		(0.01)
Ind AS 116 restatement adjustment (refer note 46)		2,624.52		(442.85)		(4.48)		(447.33)
		(214.86)		(214.86)		-		(214.86)
		2,409.66		(657.71)		(4.48)		(662.19)

Note

42 Financial ratios

a.	<b>Ratio</b>	Current ratio				
	<b>Numerator</b>	Current Assets				
	<b>Denominator</b>	Current Liabilities				
<b>Ratios / measures</b>		<b>As at</b>				
		<b>30-Sep-2021</b>	<b>31-Mar-2021</b>	<b>30-Sep-2020</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
	Current Assets (A)	762.83	391.73	451.47	442.66	408.02
	Current Liabilities (B)	1,623.73	1,211.91	1,201.12	1,052.70	862.50
	<b>Current ratio (C) = (A) / (B)</b>	<b>0.47</b>	<b>0.32</b>	<b>0.38</b>	<b>0.42</b>	<b>0.47</b>
	<b>%Change from previous period/year</b>	<b>25%</b>	<b>-23%</b>		<b>-11%</b>	

b. <b>Ratio</b>	Debt Equity Ratio					
	<b>Numerator</b>	Total Debt [represents current and non-current borrowings]				
	<b>Denominator</b>	Shareholders' equity [represents total equity]				
<b>Ratios / measures</b>		<b>As at</b>				
		<b>30-Sep-2021</b>	<b>31-Mar-2021</b>	<b>30-Sep-2020</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
Total debt (A)		748.99	461.74	489.67	526.88	479.25
Shareholder's equity (B)		2,264.44	2,054.62	2,170.42	2,347.18	2,419.54
<b>Debt equity ratio (C) = (A) / (B)</b>		<b>0.33</b>	<b>0.22</b>	<b>0.23</b>	<b>0.22</b>	<b>0.20</b>
<b>%Change from previous period/year</b>		<b>47%</b>	<b>0%</b>		<b>13%</b>	

This ratio has increased from 0.23 in September 2020 to 0.33 in September 2021 mainly due to increase in borrowings during the period.

c. <b>Ratio</b>	Debt service coverage ratio				
<b>Numerator</b>	Earnings available for debt service				
<b>Denominator</b>	Debt service				
<b>Ratios / measures</b>	<b>As at</b>				
	<b>30-Sep-2021</b>	<b>31-Mar-2021</b>	<b>30-Sep-2020</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
Restated loss after tax for the period / year (A)	(98.59)	(347.08)	(182.96)	(296.21)	(654.73)
<b>Add: Non cash operating expenses and finance cost</b>					
Depreciation and Amortisation expense (B)	468.69	724.12	349.93	678.01	651.81
Finance costs (C)	264.30	424.61	205.15	420.76	426.43
<b>Earnings available for debt services (D) = (A)+(B)+(C)</b>	<b>634.40</b>	<b>801.65</b>	<b>372.12</b>	<b>802.56</b>	<b>423.51</b>
Finance costs (E)	264.30	424.61	205.15	420.76	426.43
Repayment of non-current borrowings (F)	48.46	107.24	23.53	112.91	114.32
Payment of principal portion of lease liabilities (G)	68.09	132.84	81.55	157.84	108.73
<b>Debt service (H) = (E) + (F) + (G)</b>	<b>380.85</b>	<b>664.69</b>	<b>310.23</b>	<b>691.51</b>	<b>649.48</b>
<b>Debt service coverage ratio (I) = (D) / (H)</b>	<b>1.67</b>	<b>1.21</b>	<b>1.20</b>	<b>1.16</b>	<b>0.65</b>
<b>%Change from previous period/year</b>	<b>39%</b>	<b>4%</b>		<b>78%</b>	

This ratio has increased from 0.65 in March 2019 to 1.16 in March 2020 mainly due to increase in earnings available for debt services due to decrease in loss during the period

This ratio has increased from 1.2 in September 2020 to 1.67 in September 2021 mainly due to increase in earnings available for debt services due to decrease in loss during the period

d. Ratio	Return on equity [%]
Numerator	Restated loss after tax
Denominator	Average Shareholder's Equity

Ratios / measures	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Restated loss after tax for the period / year (A)	(98.59)	(347.08)	(182.96)	(296.21)	(654.73)
Closing shareholder's equity (B)	2,264.44	2,054.62	2,170.42	2,347.18	2,419.54
Average shareholder's equity [(opening + closing) /2] (C)	2,159.53	2,200.90	2,258.80	2,383.36	2,446.67
Return on equity [%] (D) = (A)/(C) *100	-5%	-16%	-8%	-12%	-27%
%Change from previous period/year	-44%	27%		-54%	

This ratio has increased from (27%) in March 2019 to (12%) in March 2020 mainly due to decrease in Net loss after tax was mainly due to increase in business volumes.

This ratio has decreased from (12%) in March 2020 to (16%) in March 2021 mainly due to increase in net loss after tax resulted from decrease in deferred tax credit.

This ratio has increased from (8%) in September 2020 to (5%) in September 2021 mainly due to decrease in Net loss after tax was mainly due to increase in business volumes.

e. <b>Ratio</b>	Inventory turnover ratio				
<b>Numerator</b>	Cost of goods sold				
<b>Denominator</b>	Average inventory				
Ratios / measures	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Cost of goods sold (A)	819.46	976.00	473.14	830.99	702.76
Closing Inventory (B)	167.22	80.87	79.80	115.42	59.39
Average inventory [(opening + closing) /2] (C )	124.05	98.15	97.61	87.41	54.91
<b>Inventory turnover ratio (D) = (A)/(C )</b>	<b>6.61</b>	<b>9.94</b>	<b>4.85</b>	<b>9.51</b>	<b>12.80</b>
<b>%Change from previous period/year</b>	<b>36%</b>	<b>5%</b>		<b>-26%</b>	

\* Cost of goods sold represents the aggregate of cost of materials consumed, purchase of stock-in-trade and changes in inventory of stock-in-trade.

This ratio has decreased from 12.80 in March 2019 to 9.51 in March 2020 mainly due to increase in covid related closing inventory.

This ratio has increased from 4.85 in September 2020 to 6.61 in September 2021 mainly due to liquidation of covid related inventory.

Note

f. Ratio	Trade receivables turnover ratio
Numerator	Revenue from operations
Denominator	Average trade receivables

Ratios / measures	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Revenue from operations (A)	3,716.47	5,545.86	2,602.60	5,163.04	4,181.82
Closing Trade Receivables	210.55	130.64	130.34	105.39	71.07
Average Trade Receivables [(opening + closing) / 2] (B)	170.60	118.02	117.87	88.23	73.79
<b>Trade receivables turnover ratio (C) = (A) / (B)</b>	<b>21.79</b>	<b>46.99</b>	<b>22.08</b>	<b>58.52</b>	<b>56.67</b>
<b>%Change from previous period/year</b>	<b>-1%</b>	<b>-20%</b>		<b>3%</b>	

g. Ratio	Trade payables turnover ratio
Numerator	Total purchases
Denominator	Average trade payables

Ratios / measures	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Total purchases * (A)	2,472.15	3,739.49	1,726.99	3,513.73	3,063.83
Closing Trade Payables	607.62	498.48	473.87	398.04	286.76
Average Trade Payables [(opening + closing) / 2] (B)	553.05	448.26	435.96	342.40	273.64
<b>Trade payables turnover ratio (C) = (A) / (B)</b>	<b>4.47</b>	<b>8.34</b>	<b>3.96</b>	<b>10.26</b>	<b>11.20</b>
<b>%Change from previous period/year</b>	<b>13%</b>	<b>-19%</b>		<b>-8%</b>	

\* Total purchases represents purchase of goods and services which is the aggregate of cost of materials consumed, purchase of stock-in-trade, changes in inventory of stock-in-trade, professional fees to consultant doctors and other expenses.

h. Ratio	Net capital turnover ratio
Numerator	Revenue from operations
Denominator	Working capital

Ratios / measures	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Revenue from operations (A)	3,716.47	5,545.86	2,602.60	5,163.04	4,181.82
Working Capital (Current Assets - Current Liabilities) (B)	(860.90)	(820.18)	(749.65)	(610.04)	(454.48)
<b>Net capital turnover ratio (C) = (A) / (B)</b>	<b>(4.32)</b>	<b>(6.76)</b>	<b>(3.47)</b>	<b>(8.46)</b>	<b>(9.20)</b>
<b>%Change from previous period/year</b>	<b>24%</b>	<b>-20%</b>		<b>-8%</b>	

i. Ratio	Net profit [%]
Numerator	Restated loss after tax
Denominator	Revenue from operations

Ratios / measures	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Restated loss after tax for the period / year (A)	(98.59)	(347.08)	(182.96)	(296.21)	(654.73)
Revenue from operations (B)	3,716.47	5,545.86	2,602.60	5,163.04	4,181.82
<b>Net profit [%] (C) = (A) / (B) * 100</b>	<b>-2.65%</b>	<b>-6.26%</b>	<b>-7.03%</b>	<b>-5.74%</b>	<b>-15.66%</b>
<b>%Change from previous period/year</b>	<b>-62%</b>	<b>9%</b>		<b>-63%</b>	

This ratio has increased from (15.66%) in March 2019 to (5.74%) in March 2020 mainly due to decrease in net loss after tax resulting from increase in sales.

This ratio has increased from (7.03%) in September 2020 to (2.65%) in September 2021 mainly due to decrease in net loss after tax resulting from increase in sales.

j. Ratio	Return on capital employed [%]
Numerator	Earning before interest and taxes
Denominator	Capital Employed (Total equity, Total borrowings and Total lease liabilities)

Ratios / measures	As at				
	30-Sep-2021	31-Mar-2021	30-Sep-2020	31-Mar-2020	31-Mar-2019
Restated loss after tax for the period / year (A)	(98.59)	(347.08)	(182.96)	(296.21)	(654.73)
<b>Adjustments</b>					
Add: Total tax expense (B)	1.78	2.93	0.33	(67.22)	(92.06)
Add: Finance costs (C)	264.30	424.61	205.15	420.76	426.43
<b>Earnings before interest and tax (D) = (A) + (B) + (C)</b>	<b>167.49</b>	<b>80.46</b>	<b>22.52</b>	<b>57.33</b>	<b>(320.36)</b>
Total equity (E)	2,264.44	2,054.62	2,170.42	2,347.18	2,419.54
Current and Non-current borrowing (F)	748.99	461.74	489.67	526.88	479.25
Current and Non-current lease liability (G)	3,626.77	3,722.32	2,634.63	2,578.54	2,736.38
<b>Capital Employed (H) = (E) + (F) + (G)</b>	<b>6,640.20</b>	<b>6,238.68</b>	<b>5,294.72</b>	<b>5,452.60</b>	<b>5,635.17</b>
<b>Return on capital employed [%] (I) = (D) / (H) * 100</b>	<b>2.52%</b>	<b>1.29%</b>	<b>0.43%</b>	<b>1.05%</b>	<b>-5.69%</b>
<b>%Change from previous period/year</b>	<b>493%</b>	<b>23%</b>		<b>-118%</b>	

This ratio has increased from (5.69%) in March 2019 to 1.05% in March 2020 mainly due to increase in Earnings before interest and taxes (EBIT) which is mainly due to increase in business operations.

This ratio has increased from 0.43% in September 2020 to 2.52% in September 2021 mainly due to increase in EBIT which is mainly due to increase in business operations.

Notes

- (i) Ratios for the six months period ended September 30, 2021 and September 30, 2020 have not been annualised  
(ii) Return on investment ratio is not applicable to the Group

**Note**

**43 Additional regulatory information not disclosed elsewhere in the restated consolidated financial information**

- (a) There are no properties / assets which are not held or registered in the name of the Group (benami property), other than those disclosed in these restated consolidated financial information.
- (b) Transactions and balances with companies which have been removed from register of Companies [struck off companies] as at the above reporting periods is Nil.
- (c) The Group has not traded / invested in Crypto currency.
- (d) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (e) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (f) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (g) The Group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (h) The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- (i) The Group is not a declared willful defaulter by any bank or financial Institution or other lender.

**44** As at September 30, 2021, there are no standards that have been issued but are not yet effective, which will impact these restated consolidated financial information.

**45 Subsequent Events :**

- (i) The Holding company has converted itself from Private Limited to Public Limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on 16th November 2021 and consequently the name of the Holding Company has changed to "Kids Clinic India Limited" pursuant to a fresh certificate of incorporation by the Registrar of Companies on 13 December 2021.
- (ii) Pursuant to the approval of the shareholders of the Holding Company by way of its resolution dated January 17, 2022, the Holding Company's equity shares of ₹ 10 each were sub-divided as equity shares of ₹ 5 each.
- (iii) Pursuant to the approval of the board of directors of the Holding Company by way of its resolution dated December 31, 2021, the Holding Company has approved 331,300 equity settled employee stock option plan to eligible employees as per terms mentioned in plan.

Note 46

Restatement adjustments to audited consolidated financial statements

**Part A Restatement adjustments and reconciliation**

This note explains the principal adjustments made by the Group in restating its financial statements and its impact on the Group's financial position.

**(a) Reconciliation of equity**

Particulars	As at					
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019	1-Apr-2018
Share capital	66.93	65.94	66.19	65.94	65.94	65.94
Instruments entirely equity in nature	822.35	673.84	673.84	673.84	673.84	569.62
Reserves and surplus	1,355.44	1,339.84	1,225.29	1,560.57	1,884.67	1,831.32
Non-controlling interest	19.72	12.98	16.27	12.07	9.95	6.90
<b>Total Equity as per audited consolidated financial statements</b>	<b>2,264.44</b>	<b>2,092.60</b>	<b>1,981.59</b>	<b>2,312.42</b>	<b>2,634.40</b>	<b>2,473.78</b>
Add/ (less): Restatement adjustments for						
Impact arising on account of leases (refer note (i) and (ii) below)	-	-	-	-	(214.86)	-
Impact arising on account of leases (refer note (ii) below)	-	77.82	73.03	34.76	-	-
<b>Restated total equity as per restated consolidated financial information</b>	<b>2,264.44</b>	<b>2,170.42</b>	<b>2,054.62</b>	<b>2,347.18</b>	<b>2,419.54</b>	<b>2,473.78</b>

**(b) Reconciliation of total comprehensive income/(loss)**

Particulars	For the period ended		For the year ended		
	30-Sep-2021	30-Sep-2020	31-Mar-2021	31-Mar-2020	31-Mar-2019
<b>Total comprehensive income/(loss) for the year/period as per audited consolidated financial statements</b>	<b>(96.40)</b>	<b>(225.07)</b>	<b>(384.38)</b>	<b>(332.87)</b>	<b>(444.35)</b>
Add/ (less): Restatement adjustments for					
Impact arising on account of leases (refer note (i) and (ii) below)	-	-	-	-	(214.86)
Impact arising on account of leases (refer note (ii) below)	-	43.06	38.27	34.76	-
<b>Restated total comprehensive income/(loss) for the year/period as per restated consolidated financial information</b>	<b>(96.40)</b>	<b>(182.01)</b>	<b>(346.11)</b>	<b>(298.11)</b>	<b>(659.21)</b>

**Explanatory notes**

**Retrospective application of Ind AS 116**

- (i) Ind AS 116 - Leases effective from April 1, 2019, prescribes accounting of the lease contracts/arrangements. The Group had applied Ind AS 116 for preparing the audited consolidated financial statements for the period beginning from April 1, 2019. For the purpose of preparing restated consolidated financial information, Ind AS 116 has been applied using the modified retrospective approach with effect from April 1, 2018 as prescribed by the Securities and exchange Board of India (Issue of capital and disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations").

Effective April 1, 2018, the Group had recognised lease liability measured at an amount equal to present value of remaining lease payments and corresponding Right of Use asset at an amount equivalent to lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before April 1, 2018. ROU assets are being amortized over the period of the lease. Interest on lease liabilities are recognised as charge following incremental rate of borrowing method and lease liabilities (including interest) are adjusted either on settlement through periodic payouts or on reversal for rent concessions negotiated with lessors.

- (ii) The Group had applied Ind AS 116 for preparing the audited consolidated financial statements for the period beginning from April 1, 2019 by applying practical expedient not to separate non-lease component from lease component, and instead account for such lease component and non-lease component as a single lease component. Effective April 1, 2021, the Company has changed its accounting policy in this regard to account for non-lease component separately. Consequently, for the purpose of preparing restated consolidated financial information, the above change has been applied with effect from April 1, 2018 as prescribed by ICDR Regulations.

**Part B Material regrouping**

Appropriate regrouping have been made in the restated consolidated financial information, where ever required by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the nomenclature and classification as per the audited consolidated financial statements of the Group for the half year ended September 30, 2021, prepared in accordance with the Schedule III of Companies Act, 2013, as amended (the "Amended Schedule III"), requirements of Ind AS 1 and other Ind AS principles and the requirements of the ICDR Regulations, which includes the following:

- (a) Right of use assets amounting to ₹ 3,415.96 million, ₹ 2,355.65 million, ₹2,367.45 million and ₹ 2,485.44 million as at March 31, 2021, September 30, 2020, March 31, 2020, and March 31, 2019, which is presented under property, plant and equipments has been regrouped in Restated Consolidated statement of assets and liabilities as Right of use assets after restatement adjustments as explained above.
- (b) Doctor's professional fees amounting to ₹1,677.57 million, ₹785.56 million, ₹1,637.32 million and ₹1,367.56 million for the year ended March 31, 2021, September 30, 2020, March 31, 2020 and March 31, 2019, which is presented under other expenses has been regrouped in Restated Consolidated statement of profit and loss as professional fees to consultant doctors.
- (c) Consumables costs amounting to ₹209.16 million, ₹109.97 million, ₹ 153.34 million and ₹148.34 million for the year ended 31 March 2021, 30 September 2020, 31 March 2020 and 31 March 2019, which is presented under other expenses has been regrouped in Restated Consolidated statement of profit and loss under Cost of material consumed.
- (d) Cost of material consumed amounting to ₹766.83 million, ₹ 363.17 million, ₹677.67 million and ₹554.47 million for the year ended 31 March 2021, 30 September 2020, 31 March 2020 and 31 March 2019, has been regrouped in the Restated Consolidated statement of profit and loss as ₹493.96 million, ₹ 248.45 million, ₹386.60 million and ₹328.19 million, Purchase of stock in trade of ₹467.71 million, ₹ 206.34 million, ₹466.45 million and ₹374.56million, and Changes in inventory of traded goods of ₹14.33 million, ₹18.35 million, ₹(22.06) million and ₹0.01 million respectively.
- (e) Stem cell storage charges amounting to ₹ Nil, ₹ Nil, ₹ Nil and ₹37.23 million for the year/period ended 31 March 2021, 30 September 2020, 31 March 2020 and 31 March 2019, which is presented under other expenses has been regrouped in Restated consolidated statement of profit and loss under Sale of services.
- (f) Sale of services for the year/period ended 31 March 2021, 30 September 2020, 31 March 2020 and 31 March 2019 has been regrouped in the Restated consolidated statement of profit and loss as Sale of healthcare services amounting to ₹ 4,755.06 million, ₹2,241.95 million, ₹4,445.20 million and ₹3,586.72 million and Other operating revenue amounting to ₹42.30 million, ₹19.37 million, ₹38.56 million and ₹32.47 million, respectively.
- (g) Sale of pharmacy goods for the year/period ended 31 March 2021, 30 September 2020, 31 March 2020 and 31 March 2019 has been regrouped in the Restated consolidated statement of profit and loss as Sale of healthcare services amounting to ₹ Nil, ₹ Nil, ₹ 37.10 million and ₹ Nil respectively.

**Changes consequent to amendment to Schedule III of Companies Act, 2013**

Ministry of Corporate Affairs ("MCA") issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 (the "Amended Schedule III") to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial period starting April 1, 2021. For the purpose of preparing Restated Consolidated Financial Information, Amended Schedule III has been applied with effect from April 1, 2018 as prescribed by ICDR Regulations.



**Note 46**

**Restatement adjustments to audited consolidated financial statements**

**Part C Non-adjusting events**

In addition to the audit opinion on the consolidated financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government of India under sub-section (11) of Section 143 of Companies Act, 2013 on the standalone financial statements as at and for the financial years ended 31 March 2019, 31 March 2020 and 31 March 2021 respectively. Certain statements/comments included in the CARO in the standalone financial statements, which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the financial statements present.

Emphasis of matter relating to management's evaluation of Covid-19 impact on the future business operations and future cash flows of the Company. In view of the uncertain economic conditions, the management's evaluation of the impact on the subsequent periods is highly dependent upon conditions as they evolve. The auditors' opinion is not modified in respect of this matter.

The Restated Consolidated Financials Information do not contain any qualifications requiring adjustments, however, the auditors' reports for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 includes qualifications in the Companies ( Auditor's report )Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Consolidated Financials Information are as follows:

**As at end for the year ended March 31, 2021**

(a) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are pledged with the banks aggregating to cost of Rs. 600 lakhs and not available with the Company. The same has not been independently confirmed by the bank and hence we are unable to comment on the same.

(b) According to the records of the Group, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, goods and service tax, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount disputed (Rs. in Millions)	Amount paid under protest (Rs. in Millions)	Financial Year to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	8.6	8.6	2010-11	Additional Commissioner of Income Tax
Finance Act, 1994	Service Tax	4.8	0.2	2015-17	Commissioner of Central Taxes (Appeals-I)
Haryana Value Added Tax Act, 2003	Value Added Tax	0.2	-	2015-16	Joint Excise and Taxation Commissioner (Appeals)

**As at end for the year ended March 31, 2020**

(a) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are pledged with the banks aggregating to cost of Rs. 600 lakhs and not available with the Company. The same has not been independently confirmed by the bank and hence we are unable to comment on the same.

(b) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, goods and service tax, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount disputed (Rs. in Millions)	Amount paid under protest (Rs. in Millions)	Financial Year to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	15.16	15.16	2010-11	Income Tax Appellate Tribunal

**As at end for the year ended March 31, 2019**

(a) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows: Statement of Arrears of Statutory Dues Outstanding for More than Six Months

Name of the Statute	Nature of the Dues	Amount (excluding interest) (Rs. in Millions)	Period to which the amount relates	Due Date	Date of Payment
The Punjab Labour Welfare Fund Act, 1965	Contribution to Labour Welfare fund	0.02	2017-19	Various dates	Not yet paid

(b) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, goods and service tax, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount disputed (Rs. in Millions)	Amount paid under protest (Rs. in Millions)	Financial Year to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	15.16	15.16	2010-11	Additional Commissioner of Income Tax
Finance Act, 1994	Service Tax	4.8	0	2015-17	Commissioner of Central Taxes (Appeals-I)

**For and on behalf of the Board of Directors:**

Kids Clinic India Limited (formerly known as Kids Clinic India Private Limited )

**Raviganesh Venkataraman**  
CEO & Executive Director  
DIN No: 07336611

**Rohit M A**  
Executive Director  
DIN No: 02501034

**Madhu Sudhan P**  
Company Secretary  
Membership No.: A21699

**Sandeep Bardia**  
Chief Financial Officer

Bengaluru: February 07, 2022

## OTHER FINANCIAL INFORMATION

The standalone financial information of our Company in accordance to requirements under the SEBI ICDR Regulations, for the years ended March 31, 2021, March 31, 2020, and March 31, 2019, together with all the annexures, schedules and notes thereto are available at <https://www.cloudninecare.com/others/investors>. Our Company is providing a link to this website solely to comply with the requirements as specified in the SEBI ICDR Regulations. The audited standalone financial information and the reports thereon, do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world.

The accounting ratios required under Item 11 of Part A of Schedule VI of the SEBI ICDR Regulations and other Non-GAAP financial measures are given below:

*(in ₹ million, except percentage)*

Particulars	As at and for the period ended September 30, 2021	As at and for the period ended September 30, 2020	As at and for the year ended 31 March 2021	As at and for the year ended 31 March 2020	As at and for the year ended 31 March 2019
Basic EPS(₹)* <sup>(1)(2)</sup>	(2.38)*	(4.34)*	(8.30)	(7.05)	(15.67)
Diluted EPS (₹)* <sup>(1)(2)</sup>	(2.38)*	(4.34)*	(8.30)	(7.05)	(15.67)
Return on Net Worth (%)#	(4.54)	(8.53)	(17.24)	(12.78)	(27.29)
Net Asset Value per Equity Share (₹)^ <sup>(2)</sup>	52.31	50.95	48.14	55.15	57.41
EBITDA**	636.18	372.45	804.58	735.34	331.45

\*Not annualised

# Return on Net Worth (RoNW)% = Restated loss after tax for the period / year attributable to equity shareholders of the Parent divided by total equity attributable to owners of our Company

^NAV per Equity Share = total equity attributable to owners of our Company divided by weighted average number of equity shares outstanding during the year / period Net Worth = Total equity attributable to owners of our Company.

\*\*EBITDA = Restated loss after tax plus total tax expense, finance costs and depreciation and amortization expense.

Notes

(1) Basic and diluted earnings per equity share (EPS): Basic and diluted EPS are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).

(2) Pursuant to a shareholders resolution dated January 17, 2022, approved sub-division of equity shares of face value of ₹ 10 each into equity shares of face value of ₹ 5 each. For calculation of EPS and Net asset value per equity share, effect of subdivision of shares have been retrospectively adjusted as if the event had occurred at the beginning of the earliest period presented in accordance with Ind AS 33

### Non-GAAP financial measures

This section includes certain Non-GAAP financial measures relating to our financial performance (together, “Non-GAAP financial measures” and each a “Non-GAAP financial measure”), as presented below. These Non-GAAP financial measures are not required by or presented in accordance with Indian GAAP.

### Return on Net Worth (RoNW)

*(in ₹ million, except percentage)*

Particulars	As at and for the year /six months period ended				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Equity share capital (A)	66.93	65.94	66.19	65.94	65.94
Instruments entirely equity in nature (B)	822.35	673.84	673.84	673.84	673.84
Other equity (C)	1,355.44	1,417.54	1,298.24	1,595.31	1,669.88
Net worth (D = A+B+C)	2,244.72	2,157.32	2,038.27	2,335.09	2,409.66
Restated loss after tax for the period / year attributable to equity holders of the Parent (E)	(101.99)	(183.97)	(351.34)	(298.35)	(657.71)
RoNW % (F) = (E/D)	-4.54%	-8.53%	-17.24%	-12.78%	-27.29%

## Net assets value (NAV) per share

(in ₹ million, except percentage)

Particulars	As at and for the year /six months period ended				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Net worth (A)	2,244.72	2,157.32	2,038.27	2,335.09	2,409.66
Weighted average number of equity shares outstanding during the year / period (No's in millions) (B)*	42.91	42.34	42.34	42.34	41.97
<b>Net asset value per Equity Share (C = A/B)</b>	<b>52.31</b>	<b>50.95</b>	<b>48.14</b>	<b>55.15</b>	<b>57.41</b>

\* As adjusted for the sub-division of Equity Shares which was approved pursuant to a shareholders resolution dated January 17, 2022, wherein equity shares of face value of ₹ 10.00 each were sub-divided into equity shares of face value of ₹ 5.00 each, for all periods presented in accordance with principles of Ind AS 33..

## Reconciliation of non-GAAP measures

Reconciliation for the following non-GAAP financial measures as per Restated Consolidated Financial Information of our Company are given below:

### Reconciliation of Earnings before interest, taxes, depreciation and amortisation expense (EBITDA) and EBITDA Margin.

EBITDA is calculated as Restated loss after tax plus total tax expense, finance costs and depreciation and amortization expense, while EBITDA Margin is the percentage of EBITDA divided by revenue from operations.

(in ₹ million, except percentage)

Particulars	As at and for the year /six months period ended				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
<b>Restated loss after tax for the period / year (A)</b>	<b>(98.59)</b>	<b>(182.96)</b>	<b>(347.08)</b>	<b>(296.21)</b>	<b>(654.73)</b>
<b>Adjustments:</b>					
Add: Total tax expense (B)	1.78	0.33	2.93	(67.22)	(92.06)
Add: Finance costs (C)	264.30	205.15	424.61	420.76	426.43
Add: Depreciation and Amortisation expense (D)	468.69	349.93	724.12	678.01	651.81
<b>Earnings before interest, taxes, depreciation and amortisation expense (EBITDA) (E=A+B+C+D)</b>	<b>636.18</b>	<b>372.45</b>	<b>804.58</b>	<b>735.34</b>	<b>331.45</b>
Revenue from operations (F)	3,716.47	2,602.60	5,545.86	5,163.04	4,181.82
<b>EBITDA Margin (EBITDA as a percentage of revenue from operations) (G=E/F)</b>	<b>17.12%</b>	<b>14.31%</b>	<b>14.51%</b>	<b>14.24%</b>	<b>7.93%</b>

### Reconciliation of operating EBITDA and Operating EBITDA Margin

Operating EBITDA is calculated as restated loss after tax plus total tax expense, finance costs and depreciation and amortization expense less lease payments, interest income on bank deposits, interest income on other financial assets at amortised cost, interest income on income tax refund, net gain on sale of current investments, fair value gain on investments at fair value through profit or loss. Operating EBITDA margin is calculated as the percentage of Operating EBITDA divided by revenue from operations.

(in ₹ million, except percentage)

Particulars	As at and for the year /six months period ended				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
<b>Restated loss after tax for the period / year (A)</b>	<b>(98.59)</b>	<b>(182.96)</b>	<b>(347.08)</b>	<b>(296.21)</b>	<b>(654.73)</b>
<b>Adjustments:</b>					
Add: Total tax expense (B)	1.78	0.33	2.93	(67.22)	(92.06)
Add: Finance costs (C)	264.30	205.15	424.61	420.76	426.43
Add: Depreciation and Amortisation expense (D)	468.69	349.93	724.12	678.01	651.81
<b>Earnings before interest, taxes, depreciation and amortisation expense (EBITDA) (E=A+B+C+D)</b>	<b>636.18</b>	<b>372.45</b>	<b>804.58</b>	<b>735.34</b>	<b>331.45</b>
Less: Lease payments (F)	288.43	240.40	470.19	477.38	442.71
Less: Interest Income on Bank Deposits (G)	1.24	2.90	5.80	6.55	1.31

(in ₹ million, except percentage)

Particulars	As at and for the year /six months period ended				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Less: Interest Income on other financial assets at amortised cost (H)	11.69	8.88	15.72	10.72	36.67
Less: Interest Income on income tax refund (I)	0.36	7.59	9.81	0.08	0.08
Less: Net gain on sale of current investments (J)	1.56	0.32	1.79	7.16	24.25
Less: Fair value gain on investments at fair value through profit or loss (K)	0.07	0.14	0.42	0.06	1.89
<b>Operating Earnings before interest, taxes, depreciation and amortisation expense (Operating EBITDA) (L= E-F-G-H-I-J-K)</b>	<b>332.83</b>	<b>112.22</b>	<b>300.85</b>	<b>233.39</b>	<b>(175.46)</b>
<b>Revenue from operations (M)</b>	<b>3,716.47</b>	<b>2,602.60</b>	<b>5,545.86</b>	<b>5,163.04</b>	<b>4,181.82</b>
<b>Operating EBITDA Margin (Operating EBITDA as a percentage of revenue from operations) (N=L/M)</b>	<b>8.96%</b>	<b>4.31%</b>	<b>5.42%</b>	<b>4.52%</b>	<b>(4.20)%</b>

### Reconciliation of Gross Margin

Gross Margin is defined as revenue from operations less total direct costs. Total direct costs is calculated as sum of Professional fees to consultant doctors, Cost of materials consumed, Purchase of stock-in-trade, Changes in inventory of stock-in-trade, Laboratory and radiology expenses and Photo expenses.

(₹ in million, except percentage)

Particulars	As at and for the year /six months period ended				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Professional fees to consultant doctors (A)	1,012.23	785.56	1,677.57	1,637.32	1,367.56
Cost of materials consumed (B)	552.67	248.45	493.96	386.60	328.19
Purchase of stock-in-trade (C)	271.63	206.34	467.71	466.45	374.56
Changes in inventory of stock-in-trade (D)	(4.84)	18.35	14.33	(22.06)	0.01
Laboratory and radiology expenses (E)	60.93	57.88	105.22	100.79	84.98
Photo expenses (F)	16.79	13.84	28.29	25.32	20.19
<b>Total direct costs (G=A+B+C+D+E+F)</b>	<b>1,909.41</b>	<b>1,330.42</b>	<b>2,787.08</b>	<b>2,594.42</b>	<b>2,175.49</b>
Revenue from operations (H)	3,716.47	2,602.60	5,545.86	5,163.04	4,181.82
<b>Gross Margin (I=H-G)</b>	<b>1,807.06</b>	<b>1,272.18</b>	<b>2,758.78</b>	<b>2,568.62</b>	<b>2,006.33</b>
<b>Gross Margin% (J=I/H)</b>	<b>48.62%</b>	<b>48.88%</b>	<b>49.74%</b>	<b>49.75%</b>	<b>47.98%</b>

### Reconciliation of Return on Capital Employed

Return on Capital Employed refers to Earnings Before Interest & Tax divided by Capital Employed. Earnings Before Interest & Tax is calculated as restated loss after tax, plus total tax expense and finance costs. Capital Employed is calculated as total equity plus total borrowings and lease liabilities.

(₹ in million, except percentage)

Particulars	As at and for the year /six months period ended				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
<b>Restated loss after tax for the period / year (A)</b>	<b>(98.59)</b>	<b>(182.96)</b>	<b>(347.08)</b>	<b>(296.21)</b>	<b>(654.73)</b>
<b>Adjustments:</b>					
Add: Total tax expense (B)	1.78	0.33	2.93	(67.22)	(92.06)
Add: Finance costs (C)	264.30	205.15	424.61	420.76	426.43
<b>Earnings before interest and tax (D) = (A+B+C)</b>	<b>167.49</b>	<b>22.52</b>	<b>80.46</b>	<b>57.33</b>	<b>(320.36)</b>
Total equity (E)	2,264.44	2,170.42	2,054.62	2,347.18	2,419.54
Current borrowings (F)	113.87	189.28	108.64	169.66	122.97
Non-current borrowings (G)	635.12	300.39	353.10	357.22	356.28
Current lease liabilities (H)	325.08	221.26	263.17	185.18	149.48
Non-current lease liabilities (I)	3,301.69	2,413.37	3,459.15	2,393.36	2,586.90
<b>Capital Employed (J) = (E+F+G+H+I)</b>	<b>6,640.20</b>	<b>5,294.72</b>	<b>6,238.68</b>	<b>5,452.60</b>	<b>5,635.17</b>
<b>Return on capital employed [%] (K) = (D/J)*100</b>	<b>2.52%</b>	<b>0.43%</b>	<b>1.29%</b>	<b>1.05%</b>	<b>(5.69)%</b>

### Reconciliation of Debt Equity Ratio

Debt equity ratio is calculated as total debt divided by total equity.

(₹ in million, except ratio)

Particulars	As at				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Current borrowings (A)	113.87	189.28	108.64	169.66	122.97
Non-current borrowings (B)	635.12	300.39	353.10	357.22	356.28
Total borrowings (C)=(A+B)	748.99	489.67	461.74	526.88	479.25
Total equity (D)	2,264.44	2,170.42	2,054.62	2,347.18	2,419.54
<b>Debt equity ratio (E) = (C/D)</b>	<b>0.33</b>	<b>0.23</b>	<b>0.22</b>	<b>0.22</b>	<b>0.20</b>

### Reconciliation of Cash Ratio

Cash ratio is calculated as sum of cash and cash equivalents and other bank balances divided by total current liabilities.

(₹ in million, except ratio)

Particulars	As at				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Cash and cash equivalents (A)	143.80	31.29	50.69	30.79	44.26
Other Bank balances (B)	10.64	-	-	-	-
Total cash and cash equivalents and other bank balances (C=A+B)	154.44	31.29	50.69	30.79	44.26
Total current liabilities (D)	1,623.73	1,201.12	1,211.91	1,052.70	862.50
<b>Cash ratio (E=C/D)</b>	<b>0.10</b>	<b>0.03</b>	<b>0.04</b>	<b>0.03</b>	<b>0.05</b>

### Reconciliation of Debt Service Coverage Ratio

Debt service coverage ratio is calculated as Earnings available for debt service divided by debt service. Earnings available for debt service is calculated as restated loss after tax, plus depreciation and amortization expense and finance costs. Debt service is calculated as the sum of interest and principal repayments towards borrowings and lease liabilities.

(in ₹ million, except ratio)

Particulars	As at and for the year /six months period ended				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
<b>Restated loss after tax for the period / year (A)</b>	<b>(98.59)</b>	<b>(182.96)</b>	<b>(347.08)</b>	<b>(296.21)</b>	<b>(654.73)</b>
<b>Add:</b>					
Depreciation and amortization expense (B)	468.69	349.93	724.12	678.01	651.81
Finance costs (C)	264.30	205.15	424.61	420.76	426.43
<b>Earnings available for debt service (D) = (A+B+C)</b>	<b>634.40</b>	<b>372.12</b>	<b>801.65</b>	<b>802.56</b>	<b>423.51</b>
Repayment of non-current borrowings (E)	48.46	23.53	107.24	112.91	114.32
Payment of principal portion of lease liabilities (F)	68.09	81.55	132.84	157.84	108.73
Finance costs (G)	264.30	205.15	424.61	420.76	426.43
<b>Debt service (H) = (E+F+G)</b>	<b>380.85</b>	<b>310.23</b>	<b>664.69</b>	<b>691.51</b>	<b>649.48</b>
<b>Debt service coverage ratio (I) = (D/H)</b>	<b>1.67</b>	<b>1.20</b>	<b>1.21</b>	<b>1.16</b>	<b>0.65</b>

### Reconciliation of Interest Service Coverage Ratio

Interest service coverage ratio is calculated as Earnings available for interest service divided by finance costs. Earnings available for interest service is calculated as restated loss after tax, plus depreciation and amortization expense and finance costs.

(in ₹ million, except ratio)

Particulars	As at and for the year /six months period ended				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
<b>Restated loss after tax for the period / year (A)</b>	(98.59)	(182.96)	(347.08)	(296.21)	(654.73)
<b>Add:</b>					
Depreciation and amortization expense (B)	468.69	349.93	724.12	678.01	651.81
Finance costs (C)	264.30	205.15	424.61	420.76	426.43
<b>Earnings available for interest service (D) = (A+B+C)</b>	<b>634.40</b>	<b>372.12</b>	<b>801.65</b>	<b>802.56</b>	<b>423.51</b>
Finance costs (E)	264.30	205.15	424.61	420.76	426.43
<b>Interest service coverage ratio (F) = (D/E)</b>	<b>2.40</b>	<b>1.81</b>	<b>1.89</b>	<b>1.91</b>	<b>0.99</b>

### Reconciliation for Cost of borrowings

Our cost of borrowings is calculated as sum of interest on borrowings from banks and financial institutions divided by total borrowings.

(in ₹ million, except percentage)

Particulars	As at and for the year /six months period ended				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Interest on borrowings from banks (A)	27.54	23.79	43.29	50.35	46.88
Interest on borrowings from financial institutions (B)	0.10	2.43	3.85	6.38	10.52
<b>Interest on borrowings (C) = (A+B)</b>	<b>27.64</b>	<b>26.22</b>	<b>47.14</b>	<b>56.73</b>	<b>57.40</b>
Current borrowings (D)	113.87	189.28	108.64	169.66	122.97
Non-current borrowings (E)	635.12	300.39	353.10	357.22	356.28
<b>Total Borrowings (F)= (D+E)</b>	<b>748.99</b>	<b>489.67</b>	<b>461.74</b>	<b>526.88</b>	<b>479.25</b>
<b>Cost of borrowings (G=C/F)</b>	<b>3.69%</b>	<b>5.35%</b>	<b>10.21%</b>	<b>10.77%</b>	<b>11.98%</b>

### Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 - Related Party Disclosures read with the SEBI ICDR Regulations, for the six months ended September 30, 2021 and September 30, 2020, Fiscal 2021, Fiscal 2020, and Fiscal 2019, see “*Summary of this Offer Document – Summary of related party transactions*” on page 23.

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at September 30, 2021, on the basis of the Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", on pages 27, 217 and 279, respectively.

(in ₹ million, except ratio)		
Particulars	Pre-Offer as at September 30, 2021	As adjusted for the Offer
<b>Borrowings:</b>		
Current borrowings	4.58	[•]
Non-current borrowings (A)	635.12	[•]
Current maturities of long-term debt (B)	109.29	[•]
<b>Total borrowings (C)</b>	<b>748.99</b>	<b>[•]</b>
<b>Equity:</b>		
Equity share capital	66.93	[•]
Instruments entirely in the nature of equity	822.35	
Other equity	1,355.44	[•]
<b>Total equity (D)</b>	<b>2,244.72</b>	<b>[•]</b>
Ratio: Non-current borrowings (including current maturities of long-term debt) (A+B) / Total equity (D)	0.33	[•]
Ratio: Total borrowings (C) / Total equity (D)	0.33	[•]

*Notes:*

- Derived from the Restated Consolidated Financial Information.
- The corresponding post capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the book building process and hence the same have not been provided in the above statement
- As per approval of Shareholders dated January 17, 2022, our Company has increased its authorised share capital to ₹ 1,132.84 million consisting of 30,000,000 equity shares of face value of ₹ 10 each and 5,629,799 Class A CCPS of value ₹ 10 each; 3,941,989 Class B CCPS of value ₹10.00 each; 428,212 Class B1 CCPS of value ₹100 each; 4,400,000 Class C CCPS of ₹ 100 each; 104,300 Class C1 CCPS of ₹ 100.00 each and 500,000 Class C2 CCPS of ₹ 300.00 each
- Further, as per the approval of the Shareholder dated January 17, 2022, the existing equity shares were sub-divided into 60,000,000 Equity Shares of face value of ₹ 5.00 each. Pursuant to this resolution, the existing issued, paid up and subscribed share capital of the Company stands subdivided to 14,039,420 Equity Shares of ₹ 5.00 each.

## FINANCIAL INDEBTEDNESS

Our Company avails loans and bank facilities in the ordinary course of its business for purposes such as, *inter alia*, meeting our capital expenditure requirements and working capital requirements by way of term loans, overdraft facilities, general emergency credit line facilities or any other facility. For details of the borrowing powers of our Board, see “*Our Management - Borrowing Powers*” on page 203.

### Borrowings of our Company

As of December 31, 2021, our Company has an outstanding borrowing of ₹ 980.44 million on a consolidated basis. Set forth below is a brief summary of borrowings of our Company on a consolidated basis:

Category of borrowing	Sanctioned amount (in ₹ million)	Outstanding amount (in ₹ million) as on December 31, 2021
<b>Secured</b>		
Term loans	1,443.90	960.63
Vehicle loans	10.00	6.45
Short term loan		
Working capital facilities	-	-
- Fund based	87.20	10.24
- Non fund based	-	-
<b>Unsecured</b>		
Working capital loans from banks	-	-
Term loans	5.00	1.52
Loan from Director	1.60	1.60
<b>Total</b>	<b>1,547.70</b>	<b>980.44</b>

*Note: As certified by Manian & Rao, Chartered Accountants, by way of their certificate dated February 10, 2022*

### Principal terms of the borrowings availed by our Company:

Set out below are the principal terms of the borrowing availed by our Company:

- Interest:** The interest rate for our facilities is typically the base rate of a specified lender linked to Marginal Cost of Funds Based Landing Rate (“MCLR”) rate plus a specified spread per annum. The above mentioned rates vary as per loans.
- Tenor:** The tenor of the term facilities availed by us typically ranges from 5 years to 9 years .
- Security:** In terms of our borrowings where security needs to be created, we are typically required to:
  - Create security by way of hypothecation on our Company’s current assets including stock in trade, book debts, outstandings, monies receivables, claims, semi-finished and finished goods, spares, non-trade receivables both present and future;
  - Create security by way of hypothecation on our Company’s movable property including plant and machinery and vehicles; and
  - Create security by way of creating charge on the movable and the immovable assets.

In most cases, security created in favour of a lender is on a pari passu basis with the other lenders.

The details above are indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

- Re-payment:** The term loans availed by our Company are typically repayable in monthly or in quarterly instalments.
- Prepayment:** The loans availed by our Company typically have prepayment provisions which allows for prepayment of the outstanding loan amount and sometimes carry a pre-payment penalty on the pre-paid amount or on the outstanding amount subject to terms and conditions stipulated under the loan documents.
- Restrictive Covenants:** As per the terms of our loan agreements, certain corporate actions for which our



Company requires prior written consent of the lenders include:

- (a) Altering the shareholding pattern and diluting the net worth of our Company;
- (b) Amending the Memorandum of Association and Articles of Association;
- (c) Approach the capital market for mobilising additional resources either in the form of debt or equity;
- (d) Repayment of loan;
- (e) Changing the general nature of the business or undertaking any expansion or investing in any other entity; and
- (f) Changing the ownership or control or management including any direct or indirect change in the legal or beneficial ownership or enter into any arrangement whereby its business or operation are managed and controlled directly or indirectly by any person.

**7. *Events of Default:*** Borrowing arrangements entered into by our Company contain standard events of default, including, amongst others:

- (a) Defaults in payment of any amount due;
- (b) Breach of any terms and conditions of the loan agreement;
- (c) Any change or threat to change the general nature or scope of the business of any obligor;
- (d) Any information provided by any obligor is incorrect or untrue;
- (e) Any security documents fail to create security or have priority as stipulated or ceases to be in full force and effect;
- (f) Occurrence of any event which is or is likely to be prejudicial to or impairs or imperils or jeopardises or depreciate any security;
- (g) Occurrence of any material adverse effect;
- (h) Our company and or any of the security provider fails to create the security as provided herein in accordance with the terms of the agreement; and
- (i) Any attachment, distress, execution or other process against any obligor or third party enforcement of security created in favour of bank;

Additionally, we are required to ensure that the aforementioned events of default and other events of default, as specified under the various binding documents and agreements entered into by us for availing of loans are not triggered.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us

**8. *Penalty:*** The loans availed by our Company contain provisions prescribing penalties for prepayment as well as delayed payment or unsatisfactory conduct of account, non-routing of adequate share of business or non-adherence to any covenants or delay in submission of the loan documents or delay in creation of the stipulated security, which typically is 1.00 % to 2.00% of the outstanding principal amount.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

Further, for details of financial and other covenants required to be complied with, by our Company, in relation to our loan obligations, see ***“Risk Factors – We rely on financing from banks or financial institutions to carry on our business operations, and inability to obtain additional financing on terms favourable to us or at all could have an adverse impact on our financial condition. If we are unable to raise additional capital, our business***

*and future financial performance could be adversely affected. A downgrade in credit rating could also adversely impact interest costs or access to future borrowings”* on page 46.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Consolidated Financial Information on page 224. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2019, 2020 and 2021 and the six months ended September 30, 2020 and September 30, 2021 included herein is derived from the Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus, which have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations, section 26 of the Companies Act, 2013, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, which differ from IFRS, U.S. GAAP and GAAP in other countries. For further information, see "Financial Statements" on page 217.*

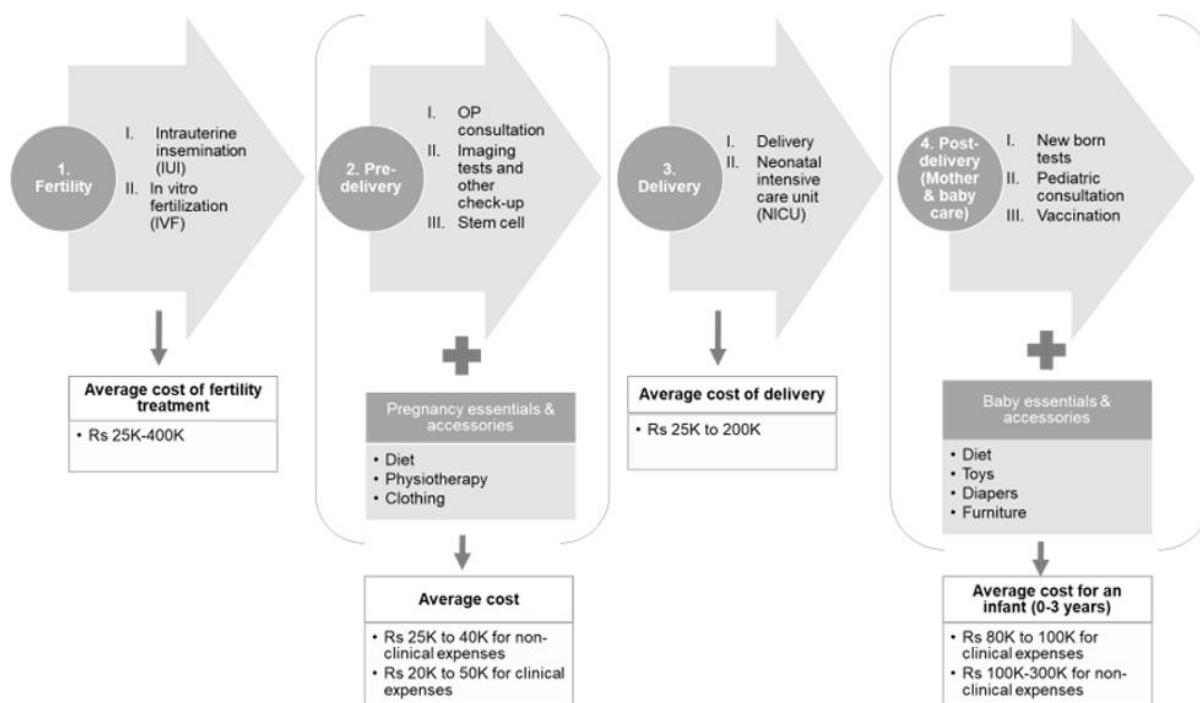
*Unless otherwise indicated, the financial information included herein is based on our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Financial Statements" on page 217. Unless the context otherwise requires, in this section, references to "we", "us", or "our" refers to Kids Clinic India Limited on a consolidated basis and references to "the Company" or "our Company" refers to Kids Clinic India Limited on a standalone basis.*

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Assessment of the healthcare delivery market in India" dated December, 2021 (the "**CRISIL Report**") prepared and issued by CRISIL Limited, appointed by us pursuant to an engagement letter dated October 26, 2021, and exclusively commissioned and paid for by us in connection with the Offer. A copy of the CRISIL Report shall be available on the website of our Company at <https://www.cloudninecare.com/others/investors> in compliance with applicable laws. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such a purpose." on page 51. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 15.*

### OVERVIEW

We are the leading brand in the super-speciality mother and baby-care space in Fiscal 2021, based on the highest revenue and highest number of hospitals across the major cities as of Fiscal 2021 among the super-specialty mother and baby care hospitals (Source: CRISIL Report) at 18 centres as of September 30, 2021 and at 23 centres as of the date of this Draft Red Herring Prospectus. The private maternity healthcare market in Fiscal 2020 was ₹ 208 billion and is projected to grow to ₹ 261 billion in Fiscal 2026. (Source: CRISIL Report) We provide expectant mothers with quality medical expertise, medically-advanced facility infrastructure and a bespoke motherhood journey covering most of their needs. As of Fiscal 2019, 2020, 2021 and September 30, 2021, we had assisted with 13,532, 15,975, 16,801 and 9,155 deliveries, respectively, and had provided 6,238, 6,166, 5,994 and 3,782 fertility services, respectively. We offer end-to-end coverage of all stages of the parenthood journey, beginning with fertility treatments, through maternity, neonatology and paediatrics, dedicated to the holistic well-being of mother and baby. As of the date of this Draft Red Herring Prospectus, we have set up 23 centres across six states and one union territory in India.

The following chart sets forth certain information relating to the entire perinatal journey and an estimated cost incurred by customers in this journey.



(Source: CRISIL Report)

We rely on digitization and leverage technology to enhance the quality of our clinical services, while targeting significant wallet share of customers and managing customer relationships. We continuously strive to fine tune and leverage digital tools to enhance the efficiency of our operations, codify clinical protocols for easy execution, and extend our services beyond our physical centres and existing markets to wider demand pools. Below are some of our recent technology enabled initiatives:

- Customer mobile application for better engagement.** We have developed an in-house comprehensive mobile application with an in-built chatbot assistant, and features that allow customers to manage all matters relating to our services on a consolidated platform, connect to a community of mothers, medical experts and doctors for advice on perinatal matters, and shop at an expert-curated e-commerce marketplace for all maternity and baby-related products. Our customer mobile application has received more than 181,000 downloads on android and iOS as of September 30, 2021.
- Effective doctor application, Clinic-in-a-box.** We have developed an application for doctors which enables them to conduct out-patient consultations virtually, access past medical records, prescribe ultrasound scans, laboratory reports, and medicine by selecting from the formulary, and integrating prescriptions into the customer mobile application. We have made this application available to doctors at our centres as well as doctors operating their own clinics. As of September 30, 2021, we hold medical records of more than 768,770 customers.
- E-NICU.** We have recently commenced offering e-NICU services, a novel deployment of technology, where a set of NICUs (neonatal intensive care units) are digitally interconnected, with a specialised software interface that allows doctors to remotely monitor and manage infants while viewing their progress through high-resolution cameras and accessing live feed of the data from the critical care equipment. The local care team is supported by the software which is empowered by detailed protocols drawn up by our expert neonatology team of medical experts. These protocols are auto-triggered based on the data feed from the critical care equipment, and are capable of prescribing quality care with digital interconnectivity, thereby ensuring standardised quality medical care.

The quality of medical care we provide is evidenced by the number of quality certifications and other achievements that our centres have obtained from various reputed Indian agencies. Our facility at Bengaluru ranked as No. 1 National Single-Speciality Hospitals by the Times of India in 2020 in the Ob-Gyn and Paediatrics category, and our Gurugram facility was ranked as No.1 in All India Fertility & IVF Hospitals/clinic ranking survey 2020-2021. We have also received an award for the highest standard in patient care at the CIMS Healthcare Excellence Awards in 2016, and was named one of the best healthcare brands by The Economic

Times in 2016 under Specialised hospitals for women and child category.

We believe that our blend of quality infrastructure and services, and a robust customer lifecycle management process backed by a customer-centric approach, attracts clinical talent from respective specialisations to build their medical practice with us. As of Fiscal 2019, 2020, 2021 and September 30, 2021, our full-time consultants represented 86.60%, 87.17%, 86.67% and 87.28% of our revenue from centre operations (which excludes revenue from COVID-19 vaccine business) in Fiscal 2019, 2020, 2021 and in the six months ended September 30, 2021, respectively. The presence of quality, committed doctors provides stability in the perinatal journey for our customers and significant predictability in our cash flows as the revenue-generating aspects of each customer's perinatal journey is predetermined based on the expected delivery date.

We believe that committed and satisfied employees are key to our achieving positive customer interactions and providing high-quality healthcare services. We have consistently endeavoured to create an organization that is the preferred choice for our medical practitioners and other staff. We were recognised as a "Great Place to Work" by the GPTW-Institute India with a trust index, scored through employee surveys, of 78%. Even during the COVID-19 pandemic, we remained sensitive to the needs of our employees and thus, did not implement any reduction in compensation or headcount, introduced work-from-home facilities for specific administrative functions, including isolation facilities and emergency care for employees, and additional hardship allowance for all frontline staff to recognise their efforts and commitment in difficult times.

Geographically, we continue to focus on two key regions, the NCR (National Capital Region) and Bengaluru, Karnataka for our expansion plans in the medium term. We have adopted a concentric cluster approach to expansion by saturating existing clusters before activating new cities, to achieve economies of scale, better leverage for brand building endeavours, marketing and resource-sharing. We focus on expansion largely through the leased model. According to CRISIL, owning the land and constructing the building attracts approximately 35% to 40% of the capital cost. Hence, resorting to the leased model allows us to significantly reduce the capital cost and allows faster expansion. (*Source: CRISIL Report*)

We have largely standardised the format and optimised capital expenditure of our expansion for rapid deployment across urban India. Some of our key strategies of expansion includes refurbishing cold shells or existing hospitals (as implemented in our Panchkula and Kanakapura Road centres) or transforming hotels (as we have implemented in our East Delhi centre in the NCR). This allows us to increase the density of clusters, enjoy economies of scale and expand in an asset-light manner.

Our first centre was established in Bengaluru, Karnataka in 2006, and has grown under the guidance of our founders, Dr. R. Kishore Kumar and Mr. Rohit M A, an experienced neonatologist who had practiced previously in Australia and the USA, returned to India with a vision to establish world-class mother and baby care focused facilities developed on the basis of best practices followed in such jurisdictions with advanced medical care facilities. Our founders have been actively involved in guiding our vision and strategic focus. We have a committed and experienced senior management team with extensive experience, which enables us to capitalize on future growth opportunities. In addition, our marquee investor base that includes True North Fund V LLP, SCI Growth Investments II and NewQuest Asia Fund IV (Singapore) Pte. Ltd., have allowed us to grow into multi-centre, multi-city operations. The professional management team from our marquee investors have assisted us in implementing robust corporate governance procedures, capital raising and strategic business advice, which we believe have been critical to our growth.

## **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

### ***Customer volumes and utilization rate of our facilities and medical equipment***

One of the most important factors affecting our financial condition and results is our customer volumes and the volume of services provided to our customers, such as the number of deliveries, number of fertility cases, consultations, laboratory diagnostics and scans, pharmaceuticals and baby vaccinations, stem cell services as well as our ability to adequately cross-sell complementary services such as our pregnancy products and baby accessories on our e-commerce platform, special occasions planning, and yoga, Lamaze and exercises by our physiotherapists or subject-matter experts.

Our customer volumes are driven by, among other things, our brand reputation and the effectiveness of our marketing efforts and customer engagement, the type and quality of services offered, the economic and social conditions of the local communities in which we operate and their spending ability, the clinical reputation of our

doctors, doctor retention and attrition, the customer-to-doctor ratio, the quality of our medical equipment, facilities and infrastructure, competitors in the maternity and fertility space, and unfavourable publicity, which impacts relationships with doctors and customers.

Key Performance Indicators	As of and for the financial year ended March 31,			As of and for the six months ended September 30, 2021	As of and for the six months ended September 30, 2020
	2021	2020	2019		
Number of transacting customers <sup>(1)</sup>	478,659	550,902	488,775	316,802	222,075
Number of deliveries <sup>(2)</sup>	16,801	15,975	13,532	9,155	8,610
Average number of deliveries / month	1,400	1,331	1,128	1,526	1,435
Number of fertility cases conducted <sup>(3)</sup>	5,994	6,166	6,238	3,782	2,106
Number of stem cell cases conducted <sup>(4)</sup>	2,813	2,752	2,059	1,522	1,320

Note:

(1) Number of transacting customers is calculated by summing up unique customer interaction in a month. This excludes interaction on account of COVID-19 vaccinations.

(2) Number of deliveries is calculated by summing up the count of new borns (excluding twins).

(3) Number of fertility cases is calculated by summing up fertility cases for the relevant period.

(4) Number of stem cell cases is calculated by summing up stem cell cases for the relevant period.

Our revenue from operations is highly dependent on the number of customers who undergo deliveries, infertility, related interventions, gynaecology treatments, pre-term deliveries requiring neo-natal intensive care, out-patient consultations, laboratory and diagnostics services. The revenues from our pharmacies are also dependent on the volume of aforementioned volumes at our centres. Our volume and mix of aforementioned services drive our revenue and margins. Our endeavour is to provide all relevant services during the entire perinatal journey.

The number of customers registering for services at our centres depend on, among other things, quality of our services through our doctors and other related professionals, experience we provide them during the entire journey, strength of our brand (including ability to drive customer) recommendations and referrals from friends, and family and our locations.

We have also focussed heavily on digitization capture a greater wallet share of our customers, by developing an in-house comprehensive mobile application with an in-built chatbot assistant that targets the demands of our customers in their perinatal journey and supports the cross-selling across our suite of services. We have been taking new digital initiatives like e-NICU to extend our services and the expertise of our pool of neonatologist beyond our physical centres and existing markets to wider demand pools and as of September 30, 2021, the e-NICU operates across over 200 beds with digital interconnectivity. To increase customer engagement, we have launched *momeaze*, a subject-matter expert-curated ecommerce marketplace for all maternity and child-related products.

Our capital expenditure mainly consists of all interiors related work, furniture, fixtures and medical infrastructure equipment. We also incurred depreciation expenses from the normal depreciation and replacement of these equipment. The healthcare services industry is characterized by limited product improvements and evolving technology, which when it happens could, at times, lead to earlier than planned redundancy of our medical equipment and result in asset impairment charges. Our technical and biomedical team evaluates technical aspects of the equipment and the purchase department evaluates quotations on commercial and non-technical terms. The purchase of medical equipment is thereafter undertaken after due internal approval process. The purchase and replacement of some of these equipment may involve significant costs, and may expose us to currency fluctuation risk, as most of the equipment are imported. We generally obtain technical upgrades and warranties for our equipment.

#### ***Professional fees to consultant doctors and employee costs***

We generally enter into professional service contracts with our doctors, which entitles them to a structured pay-out depending on the nature of service rendered or a share of the revenue collected from the customer. Some of the doctors have a minimum guarantee which is a base value payable irrespective of the actual computed earnings. We also have doctors on retainers which entitles them to a monthly fixed remuneration. These contracts are reviewed on a regular basis and renewed on the basis of the performance of the relevant doctor. These are

recorded as “Professional fees to consultant doctors” in our Restated Consolidated Financial Information. During the COVID-19 pandemic, we did not implement any rationalisation of our doctor count and beyond restructuring a few under-performing contracts in the ordinary course of business, we did not decrease the professional fees of our doctors. Our ability to attract and retain specialist physicians is critical to our success and, we expect professional fees paid to our doctors to increase as our customer volumes and revenue from operations increase.

As we believe that committed and satisfied employees are key to our achieving positive customer interactions and providing high-quality healthcare services, our employee remuneration are influenced by market trends in the country and remunerated at or above market rates which we have historically increased in line with inflation. In addition, during the COVID-19 pandemic, we did not implement any reduction in compensation or headcount, or rationalisation of salaries of any of our employees, and we paid additional hardship allowances in addition to the regular salaries during the first wave of COVID-19. In order to provide additional care for our staff, we created a COVID-19 care facility to temporarily house our affected staff. As of March 31, 2019, 2020 and 2021 and September 30, 2021, we had 2,245, 2,539, 2,555 and 2,912 employees. Further, as we set up our new centres, we strive to maintain our quality and range of services offered and staff the centres with the necessary medical staff to operate the facility in anticipation of increased customer volumes. Therefore, employee benefits expenses has remained a significant source of costs for us which we expect will continue to increase as our customer volumes and revenue from operations continue to increase.

The following table depicts our professional fees to consultant doctors and employee benefits expense as a percentage of our total expenses for Fiscal 2019, 2020, and 2021 and the six months ended September 30, 2020 and 2021.

Particulars	2021		Fiscal 2020		2019		For the six months ended September 30,			
							2021		2020	
	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expenses
Professional fees to consultant doctors	1,677.57	27.91%	1,637.32	29.12%	1,367.56	27.19%	1,012.23	26.27%	785.56	27.55%
Employee benefits expense	1,121.58	18.66%	1,010.85	17.98%	888.44	17.66%	647.86	16.81%	568.99	19.96%
<b>Total Expenses</b>	<b>6,009.80</b>	<b>100.00%</b>	<b>5,623.35</b>	<b>100.00%</b>	<b>5,030.51</b>	<b>100.00%</b>	<b>3,853.00</b>	<b>100.00%</b>	<b>2,851.06</b>	<b>100.00%</b>

### *Strategic and asset-light expansion*

We standardise and optimise our investment and business model to drive capital efficiency at all stages through asset light models that allow for swifter expansion.

We plan to increase our density and grow organically within cities with existing operations and adjoining urban clusters. The Delhi-NCR cluster is the top focus cluster for us in the near future, where we plan to repeat our densification strategy and success achieved in the city of Bengaluru, Karnataka. We believe regional density and the cluster approach creates value through leverage in direct contracting, greater brand awareness and other economies of scale. Following a cluster-based approach, we intend to leverage economies of scale by focussing on setting up additional centres in existing markets, and co-locating our fertility clinics with our mother and baby centres to share resources and marketing synergies, increase internal referrals and leverage our brand for our M&C centres to minimise customer acquisition costs.

We intend to complement this with an asset-light digital approach for expansion by leveraging our core capabilities in site procurement, efficient centre openings and innovative tech-enabled business models which allow us to capitalise on the demand-supply dynamics in such cities. For instance, we introduce e-NICU strategically expand into tier 2 and tier 3 cities by leveraging the expertise of our pool of neonatologists to keep capital expenditure to a minimum and utilise existing technologies to reach a wider market. We have also introduced *Clinic-in-a-box targets*, an application for healthcare professionals which offers a full suite of services that our customers would ordinarily be able to access and receive from our centres. *Clinic-in-a-box* targets attractive aspects of the pregnancy value chain to meet the demand for digital infrastructure, professional expertise and quality care in a cost-effective and profitable manner, through scalable technologies that have been developed and implemented in our operations.

### ***Inventory of medical consumables and pharmaceuticals***

Our profitability is also affected by the regulatory controls on prices of drugs and medical consumables. We have developed a dependable supply chain for medical equipment, medical supplies and medication to ensure that we have sufficient inventory and equipment to provide quality services in a seamless manner and accommodate changes in demand for our services to ensure efficient capital expenditure.

We have a dedicated purchase department which undertakes centralized purchase of our supplies (including medicines) and equipment for our centres. Our purchase department pre-approves and rates our vendors by considering various factors including resources and price.

We have focused on standardizing medical and other consumables used across centres in our network, which allows us to optimize our supplier network and achieve greater efficiency in procurement. We also strive to source most of our medical and non-medical supplies and equipment from a wide range of suppliers to widen our supply base and reduce supplier concentration risk. Our supplies of most medicines and consumables are obtained locally and provided by registered agents representing major pharmaceutical companies. We have also maintained strategic relationships with leading global and domestic pharmaceutical companies and we obtain most of our vaccines as direct supply from these companies instead of a distributor, which improves gross margins as well as consolidation and negotiation with vendors to improve cost savings.

### ***COVID-19 pandemic and related travel restrictions***

The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. Globally, countries have imposed various measures to help avoid, or slow down, the spread of COVID-19, including restrictions on international and local travel, travel to and from India specifically, public gatherings, physical participation in meetings, as well as closures of universities, schools, stores and restaurants. India also experienced a severe second wave of COVID-19 between March 2021 and June 2021, resulting in shortages of medical supplies and equipment and overwhelming the healthcare infrastructure as well as various lockdowns and other restrictions in various parts of India. As a result of the detection of new strains and subsequent waves of COVID-19 infections in several states in India as well as throughout various parts of the world, lockdowns may be re-introduced or extended in the future.

In response to the COVID-19 pandemic, we implemented swift measures to minimise its impact on our financial condition and results of operations, manage costs and maintain a liquidity position, including negotiating with landlords and vendors for a waiver or reduction in rental fees and costs, respectively. We took steps to rationalise marketing costs through scale and adopting increased digital initiatives, and arranged for additional working capital facilities to meet short-term liquidity requirements. However, there was no rationalisation of salaries of any of our employees, and we paid additional hardship allowances in addition to the regular salaries during the first wave of COVID-19. Beyond restructuring a few under-performing contracts in the ordinary course of business, we did not decrease the professional fees of our doctors. In order to provide additional care for our staff, we created a COVID-19 care facility to temporarily house our affected staff.

While we performed deliveries during lockdown periods and our delivery count increased in previous fiscals with more customers switching over to us given the heightened concerns of safety and infection, our customer count in paediatrics, elective gynaecology and fertility decreased during such period. However, we did not experience any significant decline in our financial performance in Fiscal 2021 or in the six months ended September 30, 2021.

The following table depicts our performance based on certain operational and financial metrics in Fiscal 2019, 2020, 2021 and the six months ended September 30, 2020 and 2021.

Key Performance Indicators	As of and for the financial year ended			As of and for the six months ended September 30, 2021	As of and for the six months ended September 30, 2020
	March 31,				
	2021	2020	2019		
Number of transacting customers <sup>(1)</sup>	478,659	550,902	488,775	316,802	222,075
Number of deliveries <sup>(2)</sup>	16,801	15,975	13,532	9,155	8,610
Number of fertility cases conducted <sup>(3)</sup>	5,994	6,166	6,238	3,782	2,106
Total Income (₹ million)	5,665.65	5,259.92	4,283.72	3,756.19	2,668.43



Key Performance Indicators	As of and for the financial year ended March 31,			As of and for the six months ended September 30, 2021	As of and for the six months ended September 30, 2020
	2021	2020	2019		
Revenue from Operations (₹ million)	5,545.86	5,163.04	4,181.82	3,716.47	2,602.60
Restated loss after tax (₹ million)	(347.08)	(296.21)	(654.73)	(98.59)	(182.96)
Operating EBITDA (₹ million) <sup>(4)</sup>	300.85	233.39	(175.46)	332.83	112.22
Operating EBITDA Margin (%) <sup>(5)</sup>	5.42%	4.52%	(4.20)%	8.96%	4.31%

Note:

- (1) Number of transacting customers is calculated by summing up unique customer interaction in a month. This excludes interaction on account of COVID-19 vaccinations.
- (2) Number of deliveries is calculated by summing up the count of new births (twins being counted as one).
- (3) Number of fertility cases is calculated by summing up fertility cases for the relevant period.
- (4) Operating EBITDA is calculated as Restated loss after tax plus total tax expense, finance costs and depreciation and amortization expense less Lease Payments, Interest Income on Bank Deposits, Interest Income on other financial assets at amortised cost, Interest Income on income tax refund, Net gain on sale of current investments, Fair value gain on investments at fair value through profit or loss.
- (5) Operating EBITDA margin is calculated as the percentage of Operating EBITDA divided by revenue from operations.

Further, we have accumulated deficit in retained earnings in as at March 31, 2019, 2020 and 2021, and as at September 30, 2020 and September 30, 2021, of ₹ 2,493.88 million, ₹ 2,579.34 million, ₹ 2,929.71 million, ₹ 2,762.36 million, and ₹ 3,029.48 million, respectively. Our management has also estimated our future cash flows with the possible effects that may result from the COVID-19 pandemic and we do not foresee any adverse impact in realising our assets and in meeting our liabilities as and when they fall due. We are in the stabilisation phase and our ability to continue as a going concern is based on establishing profitable operations and obtaining continuing financial support from its investors. We have also taken various cost and profit optimization initiatives in the succeeding period, which will further improve operating cash flows and generate operating profit in the future. Further, we also have unutilised borrowing limit as at March 31, 2019, 2020 and 2021, and as at September 30, 2020 and as at September 30, 2021 of ₹ 204.35 million, ₹ 453.30 million, ₹ 520.31 million, ₹ 472.97 million, and ₹ 684.60 million, respectively. We have considered the possible effects that may result from the COVID-19 pandemic on the carrying value of assets including property, plant and equipment, intangible assets, investments, receivables and deferred tax assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, we, as at the date of the approval of the respective financial statements have used internal and external sources of information to assess the expected future performance of our Group. We have also performed sensitivity analysis on the assumptions used and based on the current estimates, expect that the carrying amount of these assets, as reflected in the respective financial statements are fully recoverable.

#### ***Government regulations and policies applicable to the healthcare sector***

Since we operate in a highly regulated industry and we are subject to extensive regulations, our results of operations and continued growth depend on government policies and regulations. Health and safety laws and regulations in India have become increasingly stringent over time, and it is possible that they will become more stringent in the future. Furthermore, any cap on treatment costs in private hospitals imposed by the government, concessional or free medical treatment required to be provided by our facilities impacts our revenue from operations, which is dependent on the fees we are able to charge for the services we provided and the volume of services rendered. Regulations related to price control on specified services and procedures will affect the operational mix and volume of services that we provide, which will further impact our revenue and results of operations.

The laws, regulations, policies, guidelines and licensing and accreditation requirements that we are subject to cover many aspects of our business. We may incur substantial costs in order to comply with current or future laws, rules and regulations, and we may not be able to maintain, at all times, full compliance with such laws, regulations, policies and guidelines. These current or future laws, rules and regulations may also impede our operations.

The qualification and practicing activities of our healthcare professionals are strictly regulated by applicable laws, regulations, policies and guidelines, as well as by applicable codes of professional conduct or ethics. If our health professionals fail to comply with applicable laws, regulations, policies or guidelines, including professional licensing requirements, we may be subject to penalties including fines, loss of licenses or restrictions on our healthcare facilities and operations, which could materially and adversely affect our business and reputation. We are also subject to laws and regulations governing relationships with our employees, in areas

such as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees. If labour laws become more stringent, it may become difficult for us to maintain flexible human resource policies, discharge employees, or downsize, any of which could have an adverse effect on our business, financial condition, results of operations and cash flows.

Any non-compliance with the aforementioned applicable laws, rules and regulations may subject us to regulatory action, including penalties, fines, suspension of any of our clinics' license and accreditations, and other civil or criminal proceedings, which may materially and adversely affect our business, prospects and reputation. For further information on the relevant regulations applicable to us in India, see "*Risk Factors – Risks Relating to the Business of the Company – Compliance with applicable safety, health and environmental regulations may be costly and adversely affect our competitive position and results of operations. Regulatory reforms in the healthcare industry and associated uncertainty may adversely affect our business, results of operations and financial condition.*" on page 37.

## **PRESENTATION OF FINANCIAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Our Restated Consolidated Financial Information has been compiled from our audited consolidated financial statements as at and for the years ended March 31, 2021, 2020 and 2019, and the six months ended September 30, 2021 and September 30, 2020, prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

## **BASIS OF PREPARATION AND PRESENTATION**

The Restated Consolidated Financial Information of our Group comprise of (i) the Restated Consolidated Statement Of Assets And Liabilities - Annexure I as at September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019; (ii) the related Restated Consolidated Statement Of Profit And Loss - Annexure II; (iii) the Restated Consolidated Statement Of Changes In Equity - Annexure III; (iv) the Restated Consolidated Statement Of Cash Flows - Annexure IV for the periods / years ended September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019; and (v) the summary of significant accounting policies and other explanatory information (collectively, the "***Restated Consolidated Financial Information***"). The Restated Consolidated Financial Information have been prepared by our management for inclusion in the Draft Red Herring Prospectus in connection with its proposed initial public offering of equity shares of the Holding Company comprising a fresh issue of equity shares and an offer for sale of equity shares held by the selling shareholders (the "***Offer***"), as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, issued by the SEBI on 11 September 2018, in pursuance of the Securities and Exchange Board of India Act, 1992 (the "***SEBI ICDR Regulations***"). The Restated Consolidated Financial Information have been prepared by our Group to comply in all material respects with the requirements of:

- (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "***Act***");
- (b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time; and
- (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "***Guidance Note***").

The Restated Consolidated Financial Information have been compiled from:

- Audited Interim Special Purpose Consolidated Financial Statements of our Company as at and for the six months ended 30 September 2021, prepared in accordance with the Indian Accounting Standard 34 ("***Ind AS 34***") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on February 7, 2022;
- Audited Interim Consolidated Financial Statements of our Group as at and for the six months ended 30 September 2020, prepared in accordance with the Ind AS 34 as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their

meeting held on January 31, 2022; and

- Audited Consolidated Financial Statements of our Group as at and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019, prepared in accordance with the Indian Accounting Standard (referred to as “**Ind AS**”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on 27 July 2021, 10 November 2020 and 12 September 2019, respectively.

The Restated Consolidated Financial Information were approved by the Board of Directors of our Company in their meeting held on February 7, 2022. The Restated Consolidated Financial Information have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, our Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

#### *Functional and presentation currency*

The Restated Consolidated Financial Information are presented in Indian Rupees (“**INR**”) and all values are rounded to the nearest millions up to two decimals, except when otherwise indicated.

### **ACCOUNTING ESTIMATES**

The preparation of Restated Consolidated Financial Information in conformity with Ind AS requires our 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 our 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. Any revision to accounting estimates is recognized prospectively.

### **PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE**

#### **Income**

Our total income comprise (i) revenue from operations, and (ii) other income.

#### *Revenue from Operations*

Our revenue from operations primarily comprises revenue from customers towards hospital services, including in- patient obstetrics, gynaecology, neonatology intensive care, fertility, out-patient consultancy, laboratory, diagnostics, pharmacies, and stem cell collection.

#### *Other Income*

Other income primarily consists of interest income on financial assets at amortised cost for bank deposits and other financial assets, net gain on sale of current investments, liabilities no longer required written back, fair value gain on investments at fair value through profit or loss and rent concession due to COVID-19.

#### **Expenses**

Our expenses comprise (i) cost of pharmacy materials consumed; (ii) purchase of traded goods; (iii) changes in inventory of traded goods; (iv) professional fees to consultant doctors; (v) employee benefits expense; (vi) finance costs; (vii) depreciation and amortization expense; and (viii) other expenses.

### ***Costs of Pharmacy Materials Consumed***

Cost of materials consumed comprises of pharmacy and medical consumables related to in-patient services necessary for the provision of healthcare services and cost of COVID-19 vaccinations done during the relevant period, as adjusted for the existing inventory.

### ***Purchase of Traded Goods***

Purchase of traded goods primarily reflect the purchase of pharmacy and non-prescription over the counter items related for sale to the our patient and customers during the period.

### ***Changes in inventory of traded goods***

Additions to inventories as a result of purchases and depletion of pharmacy stock related to out-patient services during the year or period are recorded as credits and expenses, respectively, in our restated consolidated statement of profit and loss.

### ***Professional fees to consultant doctors***

Professional fees to consultant doctors refers to fees we pay to our full-time consultants, visiting consultants and retainer doctors involved in providing in-patient and out-patient healthcare services, on a structured pay-out basis depending on the nature of service rendered or as a share of the revenue collected from the customer.

### ***Employee Benefits Expense***

Employee benefits expense include salaries and wages to our employees, contribution to provident fund and other statutory contributions, staff welfare expenses and employee share based payment pursuant to the ESOP 2013.

### ***Finance Costs***

Finance costs include interest on our various loans (term loans, working capital loans, vehicle loan), interest on lease liabilities for right-of-use assets and other borrowing costs primarily comprising of credit card charges.

### ***Depreciation and Amortization Expense***

Depreciation and amortization expense consists of depreciation on property, plant and equipment (such as buildings, leasehold improvements, medical equipment and accessory, plants and equipment, electrical installation and equipment, office equipment, furniture and fixtures, computer and vehicles), right-of-use assets and amortization of other intangible assets (such as software).

### ***Other Expenses***

Other expenses comprises of lease rent, power and fuel, laboratory and radiology expenses, housekeeping expenses, food and beverages, rates and taxes, insurance, repairs and maintenance, advertising and sales promotion, brokerage and commission, travelling and conveyance, communication costs, printing and stationery, legal and professional fees, insurance processing fees, photo expenses, payment to auditors, allowances for credit losses on financial assets, bad debts written off, loss on disposal of property plant and equipment, software expenses and security expenses.

## **NON-GAAP MEASURES**

### ***Earnings before Interest, Taxes, Depreciation and Amortization Expenses ("EBITDA")/ EBITDA Margin***

EBITDA presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, EBITDA is not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, EBITDA is not a standardised term, hence a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure. Although EBITDA is

not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance.

For more information, please see "Other Financial Information" on page 270.

## SUMMARY OF RESULTS OF OPERATIONS FOR SEPTEMBER 30, 2020 AND SEPTEMBER 30, 2021

Particulars	For the six months ended September 30,			
	2021		2020	
	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income
<b>Income</b>				
Revenue from operations	3,716.47	98.94%	2,602.60	97.53%
Other income	39.72	1.06%	65.83	2.47%
<b>Total Income</b>	<b>3,756.19</b>	<b>100.00%</b>	<b>2,668.43</b>	<b>100.00%</b>
<b>Expenses</b>				
Cost of materials consumed	552.67	14.71%	248.45	9.31%
Purchase of stock-in-trade	271.63	7.23%	206.34	7.73%
Changes in inventory of stock-in-trade	(4.84)	(0.13)%	18.35	0.69%
Professional fees to consultant doctors	1,012.23	26.95%	785.56	29.44%
Employee benefits expense	647.86	17.25%	568.99	21.32%
Finance costs	264.30	7.04%	205.15	7.69%
Depreciation and Amortisation expense	468.69	12.48%	349.93	13.11%
Other expenses	640.46	17.05%	468.29	17.55%
<b>Total expenses</b>	<b>3,853.00</b>	<b>102.58%</b>	<b>2,851.06</b>	<b>106.84%</b>
<b>Restated loss before tax for the period/ year</b>	<b>(96.81)</b>	<b>(2.58)%</b>	<b>(182.63)</b>	<b>(6.84)%</b>
<b>Tax expense / (credit)</b>				
Current tax	3.56	0.09%	1.00	0.04%
Deferred tax	(1.78)	(0.05)%	(0.67)	(0.03)%
<b>Total Tax expense</b>	<b>1.78</b>	<b>0.05%</b>	<b>0.33</b>	<b>0.01%</b>
<b>Restated loss after tax for the period/ year</b>	<b>(98.59)</b>	<b>(2.62)%</b>	<b>(182.96)</b>	<b>(6.86)%</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurement gains/(losses) on the defined benefit plans	3.08	0.08%	1.35	0.05%
Income tax relating to items that will not be reclassified to profit or loss	(0.89)	(0.02)%	(0.40)	(0.01)%
<b>Restated other comprehensive income / (loss) for the period / year ('OCI')</b>	<b>2.19</b>	<b>0.06%</b>	<b>0.95</b>	<b>0.04%</b>
<b>Restated total comprehensive income / (loss) for the period / year [comprising loss and OCI]</b>	<b>(96.40)</b>	<b>(2.57)%</b>	<b>(182.01)</b>	<b>(6.82)%</b>

## SIX MONTHS ENDED SEPTEMBER 30, 2021 COMPARED TO SIX MONTHS ENDED SEPTEMBER 30, 2020

### Key Developments

- We have opened two new centres in Kanakapura, Bangalore and East Delhi, New Delhi in the six months ended September 30, 2021 as compared to one new centre in Old Gurgaon, Gurugram in the six months ended September 30, 2020.
- Furthermore, we have five new centres which are under construction as of September 30, 2021 as compared to nil as of September 30, 2020.

## Income

Total income increased by 40.76% from ₹ 2,668.43 million in the six months ended September 30, 2020 to ₹ 3,756.19 million in the six months ended September 30, 2021.

### Revenue from Operations

Revenue from operations grew by 42.80% from ₹ 2,602.60 million in the six months ended September 30, 2020 to ₹ 3,716.47 million in the six months ended September 30, 2021. The growth was on account of increase in delivery volumes, fertility services, pharmacy sales, OPD consultations and related medical services.

In the six months ended September 2021, we had an income of ₹ 398.13 million relating to COVID-19 vaccination services. Excluding the aforementioned COVID-19 vaccination revenue, our total income increased by 25.84% from ₹ 2,668.43 million in the six months ended September 30, 2020 to ₹ 3,358.06 million in the six months ended September 30, 2021.

The following table set forth our revenue obtained from sale of services and goods in the periods indicated:

Particulars	For the six months ended September 30, 2021	Percentage increase / (decrease) from six months ended September 30, 2020 to six months ended September 30, 2021	For the six months ended September 30, 2020
	(₹ million)	(%)	(₹ million)
Sale of services - Healthcare services	3,262.98	45.54%	2,241.95
Sale of goods - Pharmacy goods	427.62	25.30%	341.28
Other operating revenue	25.87	33.56%	19.37
<b>Revenue from Operations</b>	<b>3,716.47</b>	<b>42.80%</b>	<b>2,602.60</b>

Nature of treatment	For the six months ended September 30, 2021	Percentage increase / (decrease) from six months ended September 30, 2020 to six months ended September 30, 2021	For the six months ended September 30, 2020
	(₹ million)	(%)	(₹ million)
Sale of services - Healthcare services			
In-patient	2,055.98	22.42%	1,679.42
Out-patient	1,207.00	114.57%	562.53
<b>Sale of services – Healthcare services</b>	<b>3,262.98</b>	<b>45.54%</b>	<b>2,241.95</b>

### Other Income

Other income decreased by 39.66% from ₹ 65.83 million in the six months ended September 30, 2020 to ₹ 39.72 million in the six months ended September 30, 2021. The decrease was primarily on account of the fact that other income for the six months ended September 30, 2020 included rent concession which was on account of lease rent waivers due to COVID-19. The rent concession was ₹ 26.32 million for the six months ended September 30, 2020. There was also a decrease in interest income on income tax refund by 95.26% from ₹ 7.59 million in the six months ended September 30, 2020 to ₹ 0.36 million in the six months ended September 30, 2021. This was partially offset by an increase in interest income on financial assets at amortised cost by 31.64 % from ₹ 8.88 million in the six months ended September 30, 2020 to ₹ 11.69 million in the six months ended September 30, 2021.

## Expenses

Total expenses increased by 35.14% from ₹ 2,851.06 million in the six months ended September 30, 2020 to ₹ 3,853.00 million in the six months ended September 30, 2021. These expenses have primarily increased due to increase in the volume of the business.

### Cost of Materials Consumed

Cost of materials consumed increased from ₹ 248.45 million for six months ended September 30, 2020 to ₹ 552.67 million to six months ended September 30, 2021. The increase is primarily on account of COVID-19 vaccine.

### ***Purchase of Stock-in-trade***

Purchase of Stock-in-trade increased from ₹ 206.34 million in the six months ended September 30, 2020 to ₹ 271.63 million in the six months ended September 30, 2021. The increase is primarily due to increase in OPD revenue.

### ***Changes in inventory of stock-in-trade***

Changes in inventory of stock-in-trade decreased from ₹ 18.35 million in the six months ended September 30, 2020 to ₹ (4.84) million in the six months ended September 30, 2021, as in the six months ended September 30, 2020. We had decided to keep additional inventory of pharmacy and consumables due to potential disruptions expected during the first phase of COVID-19 pandemic.

### ***Professional Fees to Consultant Doctors***

Professional fees to consultant doctors increased by 28.85% from ₹ 785.56 million in the six months ended September 30, 2020 to ₹ 1,012.23 million in the six months ended September 30, 2021. The cost increased in accordance with our movement in revenue from operations (excluding COVID-19 vaccine revenue).

### ***Employee Benefits Expense***

Employee benefit expense increased by 13.86% from ₹ 568.99 million in the six months ended September 30, 2020 to ₹ 647.86 million in the six months ended September 30, 2021.

The increase was mainly due to headcount addition for seven new centres and appraisal related annual increase by 9.13%. Our employee count increased from 2,498 as of September 30, 2020 to 2,912 as of September 30, 2021.

### ***Finance Costs***

Finance costs increased by 28.83% from ₹ 205.15 million in the six months ended September 30, 2020 to ₹ 264.30 million in the six months ended September 30, 2021.

Particulars	For the six months ended September 30, 2021	Percentage increase / (decrease) from six months ended September 30, 2020 to six months ended September 30, 2021	For the six months ended September 30, 2020
	(₹ million)	(%)	(₹ million)
Interest on			
borrowings from banks	27.54	15.76%	23.79
borrowings from financial institutions	0.10	(95.88)%	2.43
lease liability	220.34	38.71%	158.85
other financial liabilities at amortised cost	-	-	0.78
Other charges	16.32	(15.44)%	19.30
<b>Finance Costs</b>	<b>264.30</b>	<b>28.83%</b>	<b>205.15</b>

Interest on lease liability increased mainly due to agreements entered into for new centres. Other finance cost decreased mainly due to renegotiation of medical device regulation charges with banks and increased adoption of low-cost digital payments.

### ***Depreciation and Amortisation Expense***

Depreciation and amortisation expense increased by 33.94% from ₹ 349.93 million in the six months ended September 30, 2020 to ₹ 468.69 million in the six months ended September 30, 2021.

Particulars	For the six months ended September 30, 2021 (₹ million)	Percentage increase / (decrease) from six months ended September 30, 2020 to six months ended September 30, 2021 (%)	For the six months ended September 30, 2020 (₹ million)
Depreciation of property, plant and equipment	210.42	26.87%	165.85
Depreciation of Right-of-use assets	254.91	41.10%	180.66
Amortisation of intangible assets	3.36	(1.75)%	3.42
<b>Depreciation and Amortisation Expense</b>	<b>468.69</b>	<b>33.94%</b>	<b>349.93</b>

Depreciation and amortization expense increased mainly on account of new centre planned accounted as right-of-use-assets as per Ind AS 116.

#### **Other Expenses**

Other expenses increased by 36.76% from ₹ 468.29 million in the six months ended September 30, 2020 to ₹ 640.46 million in the six months ended September 30, 2021. The major heads of other expenses are as follows:

- Power and fuel increased by 4.03% from ₹ 74.16 million in the six months ended September 30, 2020 to ₹ 77.15 million in the six months ended September 30, 2021. This was primarily on account of higher fuel cost and new centres addition;
- Housekeeping expenses increased by 13.77% from ₹ 78.15 million in the six months ended September 30, 2020 to ₹ 88.91 million in the six months ended September 30, 2021. The increase was primarily on account of wage inflation and new centres opened;
- Food and beverages increased by 36.01% from ₹ 35.32 million in the six months ended September 30, 2020 to ₹ 48.04 million in the six months ended September 30, 2021. This was due to increase in volume of inpatients and new centres.
- Software expenses increased by 54.65% from ₹ 24.96 million in the six months ended September 30, 2020 to ₹ 38.60 million in the six months ended September 30, 2021. It has increased primarily on account of development new functionalities in HIMS, digital initiatives and increase in licences for new centres.
- Security expenses increased by 25.51% from ₹ 25.36 million in the six months ended September 30, 2020 to ₹ 31.83 million in the six months ended September 30, 2021. This was primarily on account of wage inflation and new centres opened.

#### **Restated Loss Before Tax**

For the reasons discussed above, restated loss before tax was ₹ 182.63 million in the six months ended September 30, 2020 compared to ₹ 96.81 million in the six months ended September 30, 2021.

#### **Tax Expenses**

Current tax increased from ₹ 1.00 million in the six months ended September 30, 2020 compared to ₹ 3.56 million in the six months ended September 30, 2021. The increase was due to higher taxable profit for our subsidiary. Deferred tax credit also increased from ₹ 0.67 million in the six months ended September 30, 2020 compared to ₹ 1.78 million in the six months ended September 30, 2021. This was due to utilisation of unabsorbed business loss and timing difference. As a result, total tax expense amounted to ₹1.78 million in the six months ended September 30, 2021 compared to ₹ 0.33 million in the six months ended September 30, 2020.

#### **Restated Loss After Tax for the Period**

We recorded a restated loss after tax of ₹ 182.96 million in the six months ended September 30, 2020 compared to ₹ 98.59 million in the six months ended September 30, 2021. The losses decreased due to the various reasons outlined above.

#### **Restated total comprehensive loss for the period [comprising Loss and OCI]**

Restated total comprehensive loss for the period [comprising Loss and OCI] was ₹ 96.40 million in the six



months ended September 30, 2021 compared to ₹ 182.01 million in the six months ended September 30, 2020.

### Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 636.18 million in the six months ended September 30, 2021 compared to ₹ 372.45 million in the six months ended September 30, 2020, while EBITDA margin (EBITDA as a percentage of our revenue from operations) was 17.12% in the six months ended September 30, 2021 compared to 14.31% in the six months ended September 30, 2020.

### SUMMARY OF RESULTS OF OPERATIONS FOR FISCAL 2019, 2020 and 2021

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscal 2019, 2020 and 2021:

Particulars	Fiscal					
	2021		2020		2019	
	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income
<b>Income</b>						
Revenue from operations	5,545.86	97.89%	5,163.04	98.16%	4,181.82	97.62%
Other income	119.79	2.11%	96.88	1.84%	101.90	2.38%
<b>Total income</b>	<b>5,665.65</b>	<b>100.00%</b>	<b>5,259.92</b>	<b>100.00%</b>	<b>4,283.72</b>	<b>100.00%</b>
<b>Expenses</b>						
Cost of materials consumed	493.96	8.72%	386.60	7.35%	328.19	7.66%
Purchase of stock-in-trade	467.71	8.26%	466.45	8.87%	374.56	8.74%
Changes in inventory of stock-in-trade	14.33	0.25%	(22.06)	(0.42)%	0.01	0.00%
Professional fees to consultant doctors	1,677.57	29.61%	1,637.32	31.13%	1,367.56	31.92%
Employee benefits expense	1,121.58	19.80%	1,010.85	19.22%	888.44	20.74%
Finance costs	424.61	7.49%	420.76	8.00%	426.43	9.95%
Depreciation and Amortisation expense	724.12	12.78%	678.01	12.89%	651.81	15.22%
Other expenses	1,085.92	19.17%	1,045.42	19.88%	993.51	23.19%
<b>Total expenses</b>	<b>6,009.80</b>	<b>106.07%</b>	<b>5,623.35</b>	<b>106.91%</b>	<b>5,030.51</b>	<b>117.43%</b>
<b>Restated loss before tax for the period / year</b>	<b>(344.15)</b>	<b>(6.07)%</b>	<b>(363.43)</b>	<b>(6.91)%</b>	<b>(746.79)</b>	<b>(17.43)%</b>
<b>Tax expense / (credit)</b>						
Current tax	3.51	0.06%	1.53	0.03%	2.41	0.06%
Deferred tax	(0.58)	(0.01)%	(68.75)	(1.31)%	(94.47)	(2.21)%
<b>Total tax expense</b>	<b>2.93</b>	<b>0.05%</b>	<b>(67.22)</b>	<b>(1.28)%</b>	<b>(92.06)</b>	<b>(2.15)%</b>
<b>Restated loss after tax for the period / year</b>	<b>(347.08)</b>	<b>(6.13)%</b>	<b>(296.21)</b>	<b>(5.63)%</b>	<b>(654.73)</b>	<b>(15.28)%</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurement gains/(losses) on the defined benefit plans	1.37	0.02%	(2.67)	(0.05)%	(6.51)	(0.15)%
Income tax relating to items that will not be reclassified to profit or loss	(0.40)	(0.01)%	0.77	0.01%	2.03	0.05%
<b>Restated other comprehensive income / (loss) for the year ('OCI')</b>	<b>0.97</b>	<b>0.02%</b>	<b>(1.90)</b>	<b>(0.04)%</b>	<b>(4.48)</b>	<b>(0.10)%</b>
<b>Restated total comprehensive income / (loss) for the year [comprising loss and OCI]</b>	<b>(346.11)</b>	<b>(6.11)%</b>	<b>(298.11)</b>	<b>(5.67)%</b>	<b>(659.21)</b>	<b>(15.39)%</b>

## FISCAL 2021 COMPARED TO FISCAL 2020

### Key Developments

- Two new centres opened in Fiscal 2021 in Old Gurgaon, Gurugram and Panchkula, Haryana and brownfield expansion in Whitefield centre.
- We also experienced lockdown and disruptions due to COVID-19.

### Income

Total income increased by 7.71% from ₹ 5,259.92 million in Fiscal 2020 to ₹ 5,665.65 million in Fiscal 2021.

### Revenue from Operations

Revenue from operations increased by 7.41% from ₹ 5,163.04 million in Fiscal 2020 to ₹ 5,545.86 million in Fiscal 2021. The increase was on account of growth in sale of medical services due to higher delivery offset by reduced numbers of OP consultations and better realisations for consumables on IP procedure and increase in sale of pharmacy goods.

The following table set forth our revenue obtained from sale of services and goods in the periods indicated:

Particulars	Fiscal 2021	Percentage increase / (decrease) from Fiscal 2020 to Fiscal 2021	Fiscal 2020
	(₹ million)	(%)	(₹ million)
Sale of services - Healthcare services	4,755.06	6.97%	4,445.20
Sale of goods - Pharmacy goods	748.50	10.19%	679.28
Other operating revenue	42.30	9.70%	38.56
<b>Revenue from Operations</b>	<b>5,545.86</b>	<b>7.41%</b>	<b>5,163.04</b>

Nature of treatment	Fiscal 2021	Percentage increase / (decrease) from Fiscal 2020 to Fiscal 2021	Fiscal 2020
	(₹ million)	(%)	(₹ million)
Sale of services - Healthcare services			
In-patient	3,473.80	5.52%	3,292.19
Out-patient	1,281.26	11.12%	1,153.01
<b>Sale of services - Healthcare services</b>	<b>4,755.06</b>	<b>6.97%</b>	<b>4,445.20</b>

### Other Income

Other income increased by 23.65% from ₹ 96.88 million in Fiscal 2020 to ₹ 119.79 million in Fiscal 2021. We had rent concession of ₹ 36.23 million in Fiscal 2021 and nil in Fiscal 2020. This rent concession was attributable to rent waivers due to COVID-19. Interest on income tax refund also increased from ₹ 0.08 million in Fiscal 2020 to ₹ 9.81 million in Fiscal 2021.

### Expenses

Total expenses increased by 6.87% from ₹ 5,623.35 million in Fiscal 2020 to ₹ 6,009.80 million in Fiscal 2021. It was primarily due to an increase in cost of pharmacy materials consumed and other expenses.

### Cost of Materials Consumed

Cost of materials consumed increased by 27.77% from ₹ 386.60 million in Fiscal 2020 to ₹ 493.96 million in Fiscal 2021. The increase was mainly due to substantial increase in consumption of personal protective clothing and equipment due to COVID-19.

### Purchase of Stock-in-trade

Purchase of stock-in-trade increased by 0.27% from ₹ 466.45 million in Fiscal 2020 to ₹ 467.71 million in Fiscal 2021.

### *Changes in Inventory of Stock-in-trade*

Changes in inventory of Stock-in-trade increased from ₹ (22.06) million in Fiscal 2020 to ₹ 14.33 million in Fiscal 2021. It was primarily due to planned increase in the inventory on account of potential supply disruption due to COVID-19.

### *Professional Fees to Consultant Doctors*

Professional fees to consultant doctors increased by 2.46% from ₹ 1,637.32 million in Fiscal 2020 to ₹ 1,677.57 million in Fiscal 2021.

### *Employee Benefits Expense*

Employee benefit expense increased by 10.95 % from ₹ 1,010.85 million in Fiscal 2020 to ₹ 1,121.58 million in Fiscal 2021.

The increase was mainly on account of appraisal related annual increase by 7.54% and headcount addition for two new centres. During the first phase of lockdown due to COVID-19, the company had paid special allowance amounting to ₹ 10.72 million to all the frontline employees in the first quarter of Fiscal 2021. Our employee count increased from 2,539 as of March 31, 2020 to 2,555 as of March 31, 2021.

### *Finance Costs*

Finance costs increased by 0.92% from ₹ 420.76 million in Fiscal 2020 to ₹ 424.61 million in Fiscal 2021.

Particulars	Fiscal 2021	Percentage increase / (decrease) from Fiscal 2020 to Fiscal 2021	Fiscal 2020
	(₹ million)	(%)	(₹ million)
Interest on			
borrowings from banks	43.29	(14.02)%	50.35
borrowings from financial institutions	3.85	(39.66)%	6.38
lease liability	337.35	5.57%	319.54
other financial liabilities at amortised cost	1.61	(0.62)%	1.62
Other charges	38.51	(10.17)%	42.87
<b>Finance Costs</b>	<b>424.61</b>	<b>0.92%</b>	<b>420.76</b>

Interest on lease liability increased mainly due to the agreements entered into for new centres. Other finance costs has reduced mainly due to the reduction of interest expenses on borrowings.

### *Depreciation and Amortisation Expense*

Depreciation and amortisation expense increased by 6.80% from ₹ 678.01 million in Fiscal 2020 to ₹ 724.12 million in Fiscal 2021.

Particulars	Fiscal 2021	Percentage increase / (decrease) from Fiscal 2020 to Fiscal 2021	Fiscal 2020
	(₹ million)	(%)	(₹ million)
Depreciation of property, plant and equipment	339.66	4.70%	324.42
Depreciation of Right-of-use assets	377.53	8.84%	346.86
Amortisation of intangible assets	6.93	2.97%	6.73
<b>Depreciation and amortisation expense</b>	<b>724.12</b>	<b>6.80%</b>	<b>678.01</b>

Depreciation and amortization expense increased mainly on account of the new centre planned accounted as right-of-use assets as per Ind AS 116.

### *Other Expenses*

Other expenses increased by 3.87% from ₹ 1,045.42 million in Fiscal 2020 to ₹ 1,085.92 million in Fiscal 2021, resulting from an increase in the following:

- Food and beverages increased by 24.17% from ₹ 56.36 million in Fiscal 2020 to ₹ 69.98 million in Fiscal 2021. This was primarily because we had taken a decision to provide free meals to all centre employees and third party contractors.
- Legal and professional fees increased by 34.73% from ₹ 52.21 million in Fiscal 2020 to ₹ 70.35 million in Fiscal 2021. This increase was due to professional fees incurred on account of secondary transaction.
- Insurance processing fees increased from ₹ 3.61 million in Fiscal 2020 to ₹ 15.97 million in Fiscal 2021. This increase was primarily because we had decided to outsource insurance processing for improved customer experience.
- Software expenses increased by 26.40% from ₹ 48.29 million in Fiscal 2020 to ₹ 61.04 million in Fiscal 2021. The increase was primarily on account of implementation of new digitised prescription solution, development new functionalities in HIMS, digital initiatives and increase in licences for new centres.

These increases were partly offset by a decrease in the following:

- Advertising and sales promotion decreased by 39.68% from ₹ 78.05 million in Fiscal 2020 to ₹ 47.08 million in Fiscal 2021. It was primarily on account of rationalisation of advertising expenses and more use of digital channels.
- Travelling and conveyance decreased by 40.42% from ₹ 28.08 million in Fiscal 2020 to ₹ 16.73 million in Fiscal 2021. The decrease was primarily due to travel restrictions imposed on account of COVID-19.

#### **Restated Loss Before Tax**

Restated loss before tax was ₹ 344.15 million in Fiscal 2021 compared to ₹ 363.43 million in Fiscal 2020.

#### **Tax Expenses**

Current tax increased from ₹ 1.53 million in Fiscal 2020 compared to ₹ 3.51 million in Fiscal 2021. Deferred tax credit also decreased from ₹ 68.75 million in Fiscal 2020 compared to ₹ 0.58 million in Fiscal 2021. As a result, total tax expense amounted to ₹ 2.93 million in Fiscal 2021 compared to ₹ 67.22 million tax credit in Fiscal 2020.

#### **Restated Loss After Tax for the Year**

We recorded a restated loss after tax for the year of ₹ 347.08 million in Fiscal 2021 compared to ₹ 296.21 million in Fiscal 2020.

#### **Restated Total Comprehensive Loss for the Year [Comprising Loss and OCI]**

Restated Total Comprehensive Loss for the Year [Comprising Loss and OCI] was ₹ 346.11 million in Fiscal 2021 compared to ₹ 298.11 million in Fiscal 2020.

#### **Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)**

EBITDA was ₹804.58 million in Fiscal 2021 compared to ₹ 735.34 million in Fiscal 2020, while EBITDA margin (EBITDA as a percentage of our revenue from operations) was 14.51% in Fiscal 2021 compared to 14.24% in Fiscal 2020.

#### **FISCAL 2020 COMPARED TO FISCAL 2019**

##### **Key Developments**

- We opened one new centre in Fiscal 2019 in Noida, Uttar Pradesh.

##### **Income**

Total income increased by 22.79% from ₹ 4,283.72 million in Fiscal 2019 to ₹ 5,259.92 million in Fiscal 2020. It was primarily due to an increase in revenue from operations, partially offset by a decrease in other income.

### ***Revenue from Operations***

Revenue from operations increased by 23.46% from ₹ 4,181.82 million in Fiscal 2019 to ₹ 5,163.04 million in Fiscal 2020.

This increase was on account of increase in sale of medical services due to an 18.05% increase in delivery count supported by uptick from new centres and fertility business as well and an increase in sale of pharmacy goods due to increased number of OPD consultations.

The following table set forth our revenue obtained from sale of services and goods in the years indicated:

<b>Particulars</b>	<b>Fiscal 2020</b>	<b>Percentage increase / (decrease) from Fiscal 2019 to Fiscal 2020</b>	<b>Fiscal 2019</b>
	<b>(₹ million)</b>	<b>(%)</b>	<b>(₹ million)</b>
Sale of services - Healthcare services	4,445.20	23.93%	3,586.72
Sale of goods - Pharmacy goods	679.28	20.73%	562.63
Other operating revenue	38.56	18.76%	32.47
<b>Revenue from Operations</b>	<b>5,163.04</b>	<b>23.46%</b>	<b>4,181.82</b>

<b>Nature of treatment</b>	<b>Fiscal 2020</b>	<b>Percentage increase / (decrease) from Fiscal 2019 to Fiscal 2020</b>	<b>Fiscal 2019</b>
	<b>(₹ million)</b>	<b>(%)</b>	<b>(₹ million)</b>
Sale of services - Healthcare services			
In-patient	3,292.19	24.68%	2,640.53
Out-patient	1,153.01	21.86%	946.19
<b>Sale of services - Healthcare services</b>	<b>4,445.20</b>	<b>23.93%</b>	<b>3,586.72</b>

### ***Other Income***

Other income decreased by 4.93% from ₹ 101.90 million in Fiscal 2019 to ₹ 96.88 million in Fiscal 2020. This was on account of interest income on other financial assets at amortised cost.

### ***Expenses***

Total expenses increased by 11.78% from ₹ 5,030.51 million in Fiscal 2019 to ₹ 5,623.35 million in Fiscal 2020. The increase was primarily due to an increase in cost of pharmacy materials consumed and other expenses.

### ***Cost of Materials Consumed***

Cost of materials consumed increased by 17.80% from ₹ 328.19 million in Fiscal 2019 to ₹ 386.60 million in Fiscal 2020. The increase was primarily due to increase in our IPD business.

### ***Purchase of Stock-in-trade***

Purchase of Stock-in-trade increased by 24.53% from ₹ 374.56 million in Fiscal 2019 to ₹ 466.45 million in Fiscal 2020. The increase was primarily in line with increase in sales of pharmacy goods.

### ***Changes in Inventory of Stock-in-trade***

Changes in inventory of Stock-in-trade decreased from ₹ 0.01 million in Fiscal 2019 to ₹ (22.06) million in Fiscal 2020. It was primarily due to opening of a new centre in Fiscal 2019.

### ***Professional Fees to Consultant Doctors***

Professional fees to consultant doctors increased by 19.73% from ₹ 1,367.56 million in Fiscal 2019 to ₹ 1,637.32 million in Fiscal 2020. The increase was primarily due to increase in business volumes.

### ***Employee Benefits Expense***

Employee benefit expense increased by 13.78% from ₹ 888.44 million in Fiscal 2019 to ₹ 1,010.85 million in Fiscal 2020. This increase was primarily on account of annual appraisal salary increase and hiring of key

managerial personnel.

### **Finance Costs**

Finance costs decreased by 1.33% from ₹ 426.43 million in Fiscal 2019 to ₹ 420.76 million in Fiscal 2020.

Particulars	Fiscal 2020	Percentage increase / (decrease) from Fiscal 2019 to Fiscal 2020	Fiscal 2019
	(₹ million)	(%)	(₹ million)
Interest on			
borrowings from banks	50.35	7.40%	46.88
borrowings from financial institutions	6.38	(39.35)%	10.52
lease liability	319.54	(4.32)%	333.98
other financial liabilities at amortised cost	1.62	(10.00)%	1.80
Other charges	42.87	28.93%	33.25
<b>Finance Cost</b>	<b>420.76</b>	<b>(1.33)%</b>	<b>426.43</b>

### **Depreciation and Amortisation Expense**

Depreciation and amortisation expense increased by 4.02% from ₹ 651.81 million in Fiscal 2019 to ₹ 678.01 million in Fiscal 2020.

Particulars	Fiscal 2020	Percentage increase / (decrease) from Fiscal 2019 to Fiscal 2020	Fiscal 2019
	(₹ million)	(%)	(₹ million)
Depreciation of property, plant and equipment	324.42	5.90%	306.36
Depreciation of Right-of-use assets	346.86	1.63%	341.30
Amortisation of intangible assets	6.73	62.17%	4.15
<b>Depreciation and Amortisation Expense</b>	<b>678.01</b>	<b>4.02%</b>	<b>651.81</b>

### **Other Expenses**

Other expenses increased by 5.22% from ₹ 993.51 million in Fiscal 2019 to ₹ 1,045.42 million in Fiscal 2020, resulting from increase in the following:

- Laboratory and radiology expenses increased by 18.60% from ₹ 84.98 million in Fiscal 2019 to ₹ 100.79 million in Fiscal 2020. The increase is primarily on account of increase in business volumes.
- Power and fuel increased by 8.65% from ₹ 114.43 million in Fiscal 2019 to ₹ 124.33 million in Fiscal 2020. The increase was on account of higher capacity utilisation and tariff revision.
- Software expenses increased by 18.18% from ₹ 40.86 million in Fiscal 2019 to ₹ 48.29 million in Fiscal 2020. The increase was due to development new functionalities in HIMS, digital initiatives and increased licences.
- Capital work in progress written off was nil in Fiscal 2019 and ₹ 21.00 million in Fiscal 2020. This was on account of early termination of lease due to non-fulfilment of material obligations in a proposed new centre by the lessor at Punjabi Bagh, Delhi.

These increases were partly offset by a decrease in the following:

- Advertising and sales promotion decreased by 25.60% from ₹ 104.91 million in Fiscal 2019 to ₹ 78.05 million in Fiscal 2020. The decrease was primarily on account of rationalisation of advertising expenses and more use of digital channels.
- Legal and professional fees decreased by 21.81% from ₹ 66.77 million in Fiscal 2019 to ₹ 52.21 million in Fiscal 2020. The decrease was on account of lesser expenses of an external consultant.
- Security expenses decreased by 10.64% from ₹ 54.25 million in Fiscal 2019 to ₹ 48.48 million in Fiscal

2020. The savings was due to rationalisation of security headcount.

### Restated Loss Before Tax

Restated loss before tax was ₹ 363.43 million in Fiscal 2020 compared to ₹ 746.79 million in Fiscal 2019.

### Tax Expenses

Current tax decreased from ₹ 2.41 million in Fiscal 2019 compared to ₹ 1.53 million in Fiscal 2020. Deferred tax credit also decreased from ₹94.47 million in Fiscal 2019 compared to deferred tax credit of ₹ 68.75 million in Fiscal 2020. As a result, total tax expense amounted to ₹ 67.22 million tax credit in Fiscal 2020 compared to ₹ 92.06 million tax credit in Fiscal 2019.

### Restated Loss After Tax for the Year

For the various reasons discussed above, we recorded a restated loss after tax for the year of ₹ 296.21 million in the Fiscal 2020 compared to ₹ 654.73 million in Fiscal 2019.

### Restated Total Comprehensive Loss for the Year [Comprising Loss and OCI]

Restated Total Comprehensive Loss for the Year [Comprising Loss and OCI] was ₹ 298.11 million in Fiscal 2020 compared to ₹ 659.21 million in Fiscal 2019.

### Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 735.34 million in Fiscal 2020 compared to ₹ 331.45 million in Fiscal 2019, while EBITDA margin (EBITDA as a percentage of our revenue from operations) was 14.24% in Fiscal 2020 compared to 7.93% in Fiscal 2019.

## LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through debt financing and funds generated from our operations. From time to time, we may obtain loan facilities to finance our short-term working capital requirements.

## SUMMARY OF CASH FLOWS

The following table sets forth certain information relating to our cash flows in the years / periods indicated:

Particulars	Fiscal			For the six months ended September 30,	
	2021	2020	2019	2021	2020
			(₹ million)		
Net cash flows from operating activities (A)	1,031.55	714.82	248.61	535.32	516.37
Net cash flows used in investing activities (B)	(390.70)	(199.22)	(276.93)	(699.84)	(192.35)
Net cash flows (used in)/from financing activities (C)	(571.65)	(582.11)	(42.91)	269.94	(308.87)
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>69.20</b>	<b>(66.51)</b>	<b>(71.23)</b>	<b>105.42</b>	<b>15.15</b>
Cash and cash equivalents at the beginning of the period / year	(35.40)	31.11	102.34	33.8	(35.40)
<b>Cash and cash equivalents at the end of the period / year</b>	<b>33.80</b>	<b>(35.40)</b>	<b>31.11</b>	<b>139.22</b>	<b>(20.25)</b>

### Operating Activities

#### Six months ended September 30, 2021

In the six months ended September 30, 2021, our net cash flow from operating activities was ₹ 535.32 million. For the six months ended September 30, 2021, our loss before tax was ₹ 96.81 million, which was primarily adjusted for depreciation of property, plant and equipment of ₹ 210.42 million, interest on lease liability of ₹ 220.34 million, mainly due to interest expenses on the implementation of Ind AS 116 for the centres, and interest on borrowings from banks of ₹27.54 million.

Operating profit before working capital changes was ₹ 625.93 million in the six months ended September 30, 2021. Our working capital adjustments to our net cash flows from operating activities for the six months ended September 30, 2021 primarily comprised an increase in trade receivables of ₹ 86.41 million, and an increase in inventory of ₹ 86.35 million. This was partially offset with an increase in trade payables of ₹ 115.48 million.

#### ***Six months ended September 30, 2020***

In the six months ended September 30, 2020, our net cash flows from operating activities was ₹ 516.37 million. For the six months ended September 30, 2020, our restated loss before tax was ₹ 182.63 million, which was primarily adjusted for depreciation of property, plant and equipment of ₹ 165.85 million, interest on lease liability of ₹ 158.85 million, mainly due to interest expenses on the implementation of IndAS 116 for the centres, and interest on borrowings from banks of ₹ 23.79 million. There was a direct taxes refunds received of ₹ 87.00 million during the period.

Operating profit before working capital changes was ₹ 327.35 million in the six months ended September 30, 2020. Our working capital adjustments to our net cash flows from operating activities for the six months ended September 30, 2020 primarily comprised an increase in trade payables of ₹ 82.61 million, a decrease in inventories of ₹ 35.62 million offset with an increase in trade receivables of ₹ 27.41 million.

#### ***Fiscal 2021***

In Fiscal 2021, our net cash flows from operating activities was ₹ 1,031.55 million, and our restated loss before tax was ₹ 344.15 million, which was primarily adjusted for depreciation of property, plant and equipment of ₹ 339.66 million, interest on lease liability of ₹ 337.35 million mainly due to interest expenses on the implementation of IndAS 116 for the centres, and interest on borrowings from banks of ₹ 43.29 million. There was a direct taxes refunds received amounted to ₹ 102.68 million during the period.

Operating profit before working capital changes was ₹ 741.29 million in Fiscal 2021. Our working capital adjustments to our net cash flows from operating activities for the Fiscal 2021 primarily comprised a decrease in inventories of ₹ 34.55 million, an increase in trade payables of ₹ 142.90 million. This was due to increase in creditors for pharmacy purchases as additional inventory was maintained due to potential disruptions expected during the first phase of COVID-19 pandemic. This was offset by an increase in trade receivables of ₹ 32.70 million and increase in other assets of ₹ 5.23 million.

#### ***Fiscal 2020***

In Fiscal 2020, net cash flows from operating activities was ₹ 714.82 million, and our restated loss before tax was ₹ 363.43 million, which was primarily adjusted for depreciation of property, plant and equipment of ₹ 324.42 million, interest on lease liability of ₹ 319.54 million, mainly due to interest expenses on the implementation of IndAS 116 for the centres, and interest on borrowings from banks of ₹ 50.35 million.

Operating profit before working capital changes was ₹ 734.46 million in Fiscal 2020. Our working capital adjustments to our net cash flows from operating activities for the Fiscal 2020 comprises an increase in trade payables of ₹ 128.62 million. This was partially offset by an increase in trade receivables of ₹ 45.40 million and an increase in inventories of ₹ 56.03 million.

#### ***Fiscal 2019***

In Fiscal 2019, net cash flow from operating activities was ₹ 248.61 million. Our restated loss before tax was ₹ 746.79 million, which was primarily adjusted for depreciation of property, plant and equipment of ₹ 306.36 million, interest on lease liability of ₹ 333.98 million mainly due to interest expenses on the implementation of IndAS 116 for the centres, and interest on borrowings from banks of ₹ 46.88 million.

Operating profit before working capital changes was ₹ 286.89 million in Fiscal 2019. Our working capital adjustments to our net cash flows from operating activities for the Fiscal 2019 primarily comprises an increase in other financial liabilities ₹ 40.13 million and an increase in trade payables of ₹ 27.09 million. This was partially offset by an increase in other financial assets of ₹ 47.16 million.



## **Investing Activities**

### ***Six months ended September 30, 2021***

Net cash flows used in investing activities was ₹ 699.84 million in the six months ended September 30, 2021, primarily on account of purchase of investments in mutual funds of ₹ 470.01 million and payments towards property, plant and equipment, including intangible assets of ₹ 774.90 million. These additions were done for opening of new centres. This was partially offset by proceeds from sale of investments in mutual funds of ₹ 446.52 million.

### ***Six months ended September 30, 2020***

Net cash flows used in investing activities was ₹ 192.35 million in the six months ended September 30, 2020, primarily on account of purchase of investments in mutual funds of ₹ 284.99 million and payments towards property, plant and equipment, including intangible assets, of ₹ 103.11 million. These additions were done for opening of new centres. This was offset by proceeds from sale of investments in mutual funds of ₹ 185.32 million.

### ***Fiscal 2021***

Net cash flows used in investing activities was ₹ 390.70 million in the Fiscal 2021, primarily on account of purchase of investments in mutual funds of ₹ 815.16 million and payments towards property, plant and equipment, including intangible assets of ₹ 363.23 million. These additions were done for opening of new centres. This was partially offset by proceeds from sale of investments in mutual funds of ₹ 771.95 million.

### ***Fiscal 2020***

Net cash flows used in investing activities was ₹ 199.22 million in the Fiscal 2020, primarily on account of purchase of investments in mutual funds of ₹ 775.00 million and payments towards property, plant and equipment, including intangible assets of ₹ 284.69 million. These additions were done for opening of new centres. This was partially offset by proceeds from sale of investments in mutual funds of ₹ 939.22 million.

### ***Fiscal 2019***

Net cash flows used in investing activities was ₹ 276.93 million in the Fiscal 2019, primarily on account of purchase of investments in mutual funds of ₹ 116.40 million and payments towards property, plant and equipment, including intangible assets of ₹ 392.33 million. These additions were done for opening of new centres.

## **Financing Activities**

### ***Six months ended September 30, 2021***

Net cash flows from financing activities was ₹ 269.94 million in the six months ended September 30, 2021, primarily on account of payment of principal portion of lease liabilities of ₹68.09 million, payment of interest portion of lease liabilities of ₹ 220.34 million, proceeds from non-current borrowings of ₹ 348.02 million and repayment of non-current borrowings of ₹ 48.46 million. This was marginally offset by proceeds from issuance of NCCPS of ₹ 140.15 million and proceeds from issuance of equity share capital of ₹ 163.26 million.

### ***Six months ended September 30, 2020***

Net cash flows used in financing activities was ₹ 308.87 million in the six months ended September 30, 2020, primarily on account of payment of principal portion of lease liabilities of ₹ 81.55 million, payment of interest portion of lease liabilities of ₹ 158.85 million, and repayment of non-current borrowings of ₹ 23.53 million.

### ***Fiscal 2021***

Net cash flows used in financing activities was ₹ 571.65 million in the Fiscal 2021, primarily on account of payment of principal portion of lease liabilities of ₹ 132.84 million, payment of interest portion of lease liabilities of ₹ 337.35 million, and repayment of non-current borrowings of ₹ 107.24 million.

### ***Fiscal 2020***

Net cash flows used in financing activities was ₹ 582.11 million in the Fiscal 2020, primarily on account of

payment of principal portion of lease liabilities of ₹ 157.84 million, payment of interest portion of lease liabilities of ₹ 319.54 million, and repayment of non-current borrowings of ₹ 112.91 million.

### **Fiscal 2019**

Net cash flows used in financing activities was ₹ 42.91 million in the Fiscal 2019, primarily on account of payment of principal portion of lease liabilities of ₹ 108.73 million; payment of interest portion of lease liabilities of ₹ 333.98 million, and repayment of non-current borrowings of ₹ 114.32 million. This was marginally offset by proceeds from issuance of NCCPS of ₹ 600.00 million.

### **INDEBTEDNESS**

As of September 30, 2021, we had non-current borrowings of ₹ 635.12 million and current borrowings of ₹ 113.87 million. Our total debt/ equity ratio was 0.33 as of September 30, 2021. For further information on our indebtedness, see “*Financial Indebtedness*” on page 276.

The following table sets forth certain information relating to our outstanding undiscounted indebtedness as of September 30, 2021, and our repayment obligations in the periods indicated:

Particulars	As of September 30, 2021 (₹ million)				
	Total	Not later than 1 year	1-3 years	3 -5 years	More than 5 years
<b>Non-Current</b>					
<b>[At amortised cost]</b>					
Term loan from					
Banks [Secured]	628.45	-	374.44	226.73	27.27
Banks [Unsecured]	0.09	-	0.09	-	-
Financial institutions [Secured]	-	-	-	-	-
Vehicle loan [Secured]	4.98	-	4.40	0.58	-
Indian rupee term loan from banks [Unsecured]	-	-	-	-	-
Loan from Director [Unsecured]	1.60	1.60	-	-	-
<b>Non-current borrowings</b>	<b>635.12</b>	<b>1.60</b>	<b>378.93</b>	<b>227.32</b>	<b>27.27</b>
<b>Current</b>					
<b>[At amortised cost]</b>					
Loan repayable on demand					
Bank overdrafts [Secured]	4.58	4.58	-	-	-
Current maturities of non-current borrowings [Secured]	107.42	107.42	-	-	-
Current maturities of non-current borrowings [Unsecured]	1.87	1.87	-	-	-
<b>Current Borrowings</b>	<b>113.87</b>	<b>113.87</b>	<b>-</b>	<b>-</b>	<b>-</b>

### **CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS**

As of September 30, 2021, our contingent liabilities that have not been accounted for in our financial statements, as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, were as follows:

Particulars	Amount (₹ million)
Contingent liability towards pending litigations related to disputed dues which has been contested by the company at various forums:	
Income tax matters	10.29
Value added tax/Service tax matters	4.96
Customer related claims	278.23
Bank guarantee, issued against fixed deposit, which are in favour of various government authorities	0.19
<b>Total</b>	<b>293.67</b>

For further information on our contingent liabilities as of September 30, 2021 as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, see “*Restated Consolidated Financial Information*” on page 224.

Except as disclosed in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

## CONTRACTUAL OBLIGATIONS AND COMMITMENTS

We do not have any long-term commitments or material non-cancellable contractual commitments/contracts, including derivative contracts for which there were any material foreseeable losses.

The following table sets forth certain information relating to our future commitments:

Particulars	As of September 30, 2021				
	Payment due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
			(₹ million)		
Estimated amount of contracts remaining to be executed on capital account, net of capital advances and not provided for	557.02	-	557.02	-	-
<b>Total</b>	<b>557.02</b>	<b>-</b>	<b>557.02</b>	<b>-</b>	<b>-</b>

## CAPITAL EXPENDITURES

In Fiscal 2019, Fiscal 2020, Fiscal 2021, and the six months ended September 30, 2020 and September 30, 2021, our payment towards property, plant and equipment including intangible assets were ₹ 392.33 million, ₹ 284.69 million, ₹ 363.23 million, ₹ 103.11 million and ₹ 291.48 million, respectively. The following table sets forth our property, plant and equipment and capital work-in-progress for the periods indicated:

Particulars	As at Fiscal 2021	As at Fiscal 2020	As at Fiscal 2019	As at September 30, 2021	As at September 30, 2020
				(₹ million)	
Property, plant and equipment (A)	2,343.53	2,369.81	2,591.08	2,422.23	2,381.53
Capital work-in-progress (B)	13.12	95.71	-	375.40	19.87
<b>Total (C=A+B)</b>	<b>2,356.65</b>	<b>2,465.52</b>	<b>2,591.08</b>	<b>2,797.66</b>	<b>2,401.40</b>

## RELATED PARTY TRANSACTIONS

We have entered into transactions with certain related parties, including certain former and current Directors and company secretaries, relatives of Directors, other Key Managerial Personnel of our Company, enterprises owned or influenced by such key managerial personnel, enterprises owned or significantly influenced by key managerial personnel with whom there were transactions/balance during the year, associates and subsidiary companies. In particular, we have entered into various transactions with such parties in relation to, amongst others, remuneration, professional fees, rent expense, loans, investments, security deposits and reimbursement of expenses.

For details of related party transactions of our Company for the financial years ended March 31, 2021, 2020 and 2019, and the six months ended September 30, 2020 and September 30, 2021 as per Ind AS 24 – Related Party Disclosures, see “Offer Document Summary – Summary of related party transactions” on page 23.

## AUDITOR’S OBSERVATIONS

Except for those highlighted below, there have been no other reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our previous statutory auditors and statutory auditors in their auditor’s reports on the audited consolidated financial statements as of and for the years ended March 31, 2019, 2020 and 2021, and the six months ended September 30, 2020 and September 30, 2021, as applicable.

Our previous statutory auditors have included the following matters of emphasis in their auditors report on our Consolidated Financial Statements drawing attention to:

***“For six-month period ended September 30, 2020:***

*The management’s evaluation of Covid-19 impact on the future business operations and future cash flows of the Group. In view of the uncertain economic conditions, the management’s evaluation of the impact on the subsequent periods is highly dependent upon conditions as they evolve.*

***For the year ended March 31, 2021:***

*The management’s evaluation of Covid-19 impact on the future business operations and future cash flows of the Group. In view of the uncertain economic conditions, the management’s evaluation of the impact on the subsequent periods is highly dependent upon conditions as they evolve.*

***For the year ended March 31, 2020:***

*The management’s evaluation of Covid-19 impact on the future business operations and future cash flows of the Group. In view of the uncertain economic conditions, the management’s evaluation of the impact on the subsequent periods is highly dependent upon conditions as they evolve.”*

**QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Our Company’s principal financial liabilities comprises of borrowings, lease liabilities, trade payables and other payables. The main purpose of these financial liabilities is to finance our Company’s operations. Our Company’s principal financial assets include loans, trade and other receivables, and cash that derive directly from its operations. Our Company is exposed to the following risks from its use of financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Our Company’s management oversees the management of these risks and ensures that our Company’s financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with our Company’s policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision and are used exclusively for hedging purposes and not as trading or speculative instruments.

***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. Our Company’s exposure to credit risk arises majorly from trade receivables/ unbilled revenue and other financial assets. Other financial assets are bank deposits with banks and hence, our Company does not expect any credit risk with respect to these financial assets.

With respect to other financial assets, our Company has constituted teams to review the receivables on periodic basis and to take necessary mitigations, wherever required. Our Company creates allowance for all unsecured receivables based on lifetime expected credit loss. At the balance sheet date, there was no significant concentration of credit risk and exposure thereon.

***Trade receivables***

Our Company always measures the loss allowance for trade receivables at an amount equal to lifetime Expected Credit Losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors’ current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

***Liquidity risk***

Our Company’s objective is to maintain a balance between continuity of funding and flexibility through the use of borrowings and lease contracts.

### **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity risk.

The sensitivity analysis in the following sections relate to the position as at the reporting dates. The sensitivity analysis has been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt. The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other long-term benefit obligations. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at the balance sheet date.

Interest rate risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in interest rate. The entity's exposure to the risk of changes in interest rates relates primarily to the entity's operating activities (when receivables or payables are subject to different interest rates) and the entity's net receivables or payables.

### **CHANGES IN ACCOUNTING POLICIES**

Except for application of Ind AS 116 - Leases, there have been no changes in our accounting policies during Fiscal 2019, 2020 and 2021, and the six months ended September 30, 2020 and September 30, 2021.

### **UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS**

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

### **SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 281 and 27, respectively.

### **KNOWN TRENDS OR UNCERTAINTIES**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 281 and 27, respectively. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### **FUTURE RELATIONSHIP BETWEEN COST AND INCOME**

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 152 and 279, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

### **NEW PRODUCTS OR BUSINESS SEGMENTS**

Except as set out in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new business segments.

### **COMPETITIVE CONDITIONS**

We operate in a competitive environment. See "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 152, 121 and 27, respectively, for further details on competitive conditions that we face across our various

business segments.

## **EXTENT TO WHICH MATERIAL INCREASES IN NET SALES OR REVENUE ARE DUE TO INCREASED SALES VOLUME, INTRODUCTION OF NEW PRODUCTS OR SERVICES OR INCREASED SALES PRICES**

Changes in revenue in the last three Fiscals are as described in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2021 compared to Fiscal 2020*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2020 compared to Fiscal 2019*” above on pages 294 and 296, respectively.

## **SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS**

Due to the nature of our operations, our revenue is not dependent on a few customers.

## **SEASONALITY/ CYCLICALITY OF BUSINESS**

Our business is not subject to seasonality or cyclicity. For further information, see “*Industry Overview*” and “*Our Business*” on pages 121 and 152, respectively.

## **SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2021 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS**

Our Company entered into a Share Purchase Agreement dated December 28, 2021, with Acquity Labs Private Limited, Mr. Akash Navilebasappa and Ms. Bhanumathi Akash for purchase of 1,000 equity shares of the Sellers constituting 49.00% of the issued, subscribed, and paid up share capital for a purchase consideration of ₹ 127.1 million as per the terms and conditions specified in the agreement. For details, see “*History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*” on page 193.

Pursuant to a resolution passed by the Shareholders of the Company dated January 17, 2022, equity shares of face value of ₹ 10.00 each, were sub-divided into Equity Shares of face value of ₹ 5.00 each. Consequently, 7,019,710 equity shares of face value of ₹ 10.00 each were sub-divided into 14,039,420 Equity Shares of face value of ₹ 5.00 each. For details, see “*Capital Structure - Equity Share Capital History of our Company*” on page 83.

Except as disclosed above and elsewhere in this Draft Red Herring Prospectus, to our knowledge no other circumstances have arisen since September 30, 2021, that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

## **SIGNIFICANT ACCOUNTING POLICIES**

### **Principles of Consolidation**

- i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of our Holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- ii. Offset (eliminate) the carrying amount of our Holding Company’s investment in each subsidiary and our Holding Company’s portion of equity of each subsidiary. The manner of accounting for any related goodwill is explained below.
- iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of our Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- iv. The financial statements of all subsidiaries used for the purpose of consolidation are drawn up to same

reporting date as that of our Holding Company, and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

- v. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.
- vi. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, our Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI. After initial recognition, goodwill is measured at cost less any accumulated impairment losses and tested for impairment annually.

When our Group ceases to consolidate for an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for and reclassified to profit or loss.

- vii. Investment in subsidiary:

The entity considered in the consolidated financial statements ('CFS') are listed below:

Name of our Company	Country of Incorporation	Proportion of ownership interest
Acquity Labs Private Limited	India	51.00%

### Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, our Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, our Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve.

### Use of estimates

The preparation of consolidated financial statements in conformity with Ind AS requires our 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 our 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. Any revision to accounting estimates is recognized prospectively.

### Current versus non-current classification

Our Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. Our Group has evaluated and considered its operating cycle as one year and accordingly has reclassified its assets and liabilities into current and non-current. Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

### **Property, plant and equipment and capital work in progress**

Property, plant and equipment 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.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, our Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, 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. Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets. An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is de-recognized. Expenditure relating to construction activity is capitalized.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.



## Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight line method, based on the following useful lives as estimated by our Management in accordance with Schedule II of the Companies Act, 2013. The identified components of the assets are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. Our Group has used the following useful life to provide depreciation on its property, plant and equipment.

Category of Assets	Useful life (years)
Buildings	60
Plant and machinery:	
Medical equipments & accessories	13
Other plant & machinery	15
Electrical installations and equipment	10
Office equipment	5
Furniture & fittings	10
Computers:	
End user devices	3
Servers and networks	6
Vehicles	8

Leasehold improvements/Buildings are amortized on a straight-line basis over the remaining period of the lease or estimated useful life of the assets, whichever is lower. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each period end and adjusted prospectively, if appropriate.

## Intangible assets and intangible assets under development

Intangible assets acquired separately are measured on initial recognition at cost. 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 period in which the expenditure is incurred.

Intangible assets comprising of computer software are amortized on a straight line basis over a period of five years, which is estimated by our Management to be the useful life of the asset. The residual values, useful lives and methods of amortization of intangible assets are reviewed at each period end and adjusted prospectively, if appropriate. Gains or losses arising from de-recognition of an intangible asset 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 asset is derecognized. Development costs incurred on internally generated intangible assets, not ready for use are capitalized as intangible assets under development.

## Leases

Our Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### *Where our Group is lessee*

Our Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. Our Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### *Right-of-use assets*

Our Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies stated under

“Impairment”.

### ***Lease Liabilities***

At the commencement date of the lease, our Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, our Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### ***Short-term leases and leases of low-value assets***

Our Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### ***Where our Group is lessor***

Leases in which our Group does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from our Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at our Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### ***Borrowing costs***

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. 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.

### ***Impairment***

#### ***Financial assets***

Our Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired and measures the required expected credit losses through a loss allowance. Our Group recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

#### ***Non-financial assets***

Our Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, our Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) 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 group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired

and is written down to its recoverable amount. In assessing the 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 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.

Our Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of our Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, our Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior periods. Such reversal is recognized in the statement of profit and loss.

## **Inventories**

Inventories of pharmacy goods and consumables are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a First In First Out (FIFO) basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

## **Revenue recognition**

### ***Revenue from contracts with customers***

Our Group generates revenue from rendering of healthcare services, sale of pharmacy goods and other ancillary activities in India. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which our Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other credits, if any, as specified in the contract with the customer.

Goods and services tax is not received by our Group on its own account. Rather, it is tax collected by the seller on behalf of the government. Accordingly, it is excluded from revenue.

### ***Disaggregation of revenue***

Our Group disaggregates revenue from healthcare service, sale of pharmacy goods and other operating income. Our Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Group's revenues and cash flows are affected by industry, market and other economic factors.

### ***Sale of healthcare services***

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Revenue for each distinct performance obligation is measured to at an amount that reflects the consideration which our Company expects to receive in exchange for those products or services and is net of tax collected from customers and remitted to government authorities and applicable discounts. Further, our Company also determines whether the performance obligation is satisfied at a point in time or over a period of time. These judgments and estimations are based on various factors including contractual terms and historical experience.

Revenue from healthcare services is recognised as and when services are performed. Excess of revenue earned over billings on contracts is recognised as unbilled revenue. Unbilled revenue is classified as other financial assets when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue is recognised as other current liability when there is billings in excess of revenues.

### ***Sale of Pharmacy goods***

Revenue from sale of pharmacy goods is recognised when control is transferred at the time of delivery of goods to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount of revenue recognised is net of sales returns, taxes and duties, wherever applicable.

### ***Other operating revenue***

Our Group's revenue from other operating income comprises primarily of ancillary services provided to patients such as photography services. Revenue from services rendered is based on the arrangements with the customers and is recognised as the service is performed.

### ***Contract balances***

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If our Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivable represents our Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Unbilled revenue included in other current financial assets represents revenue earned but not billed as at the reporting date.

Contract liability is the obligation to transfer goods or services to a customer for which our Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before our Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when our Group performs under the contract.

### ***Other non-operating income***

Other non-operating income includes income from revenue sharing arrangements which are recognised in accordance with the terms with the parties.

### ***Interest income***

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

### ***Dividend income***

Dividend income is recognized when our Group's right to receive dividend is established by the reporting date. Dividend income is included under the head "other income" in the statement of profit and loss.

### **Foreign currency translation**

#### ***Functional and presentation currency***

Items included in the financial statements of our Group are measured using the currency of the primary economic environment in which our Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is our Group's functional and presentation currency.

#### ***Foreign currency transactions and balances***

##### ***(i) Initial recognition***

Transactions in foreign currencies are initially recorded by our Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, our Group uses an average rate if the average approximates the actual rate at the date of the transaction.

(ii) *Conversion*

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(iii) *Exchange differences*

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss in the period in which they arise.

**Retirement and other employee benefits**

***Defined contribution scheme***

Retirement benefits in the form provident fund is a defined contribution scheme. Our Group has no obligation, other than the contribution payable to the provident fund. Our Group recognizes contribution payable to the provident fund as expenditure, when an employee renders the related service. The contribution paid in excess of amount due is recognized as an asset and the contribution due in excess of amount paid is recognized as a liability.

***Defined benefit scheme***

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. Our Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, our Group recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. Our 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.

Our 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 project unit credit method, made at the end of each period. Actuarial gains/losses are immediately taken to the statement of profit and loss. Our Group presents the accumulated leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

**Income taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the period. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

***Current income tax***

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

***Deferred income tax***

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting

nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Our Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### **Earnings per share**

Basic earnings/ (loss) per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares (including equity shares to be issued upon conversion of a mandatorily convertible instrument) outstanding during the period. The weighted average number of equity shares outstanding during the period 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/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **Provisions**

A provision is recognized when our Group has a present obligation (legal or constructive) 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Where our Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of our 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. Our Group does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

## **Financial Instruments**

Financial assets and liabilities are recognized when our Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

### ***Financial assets at fair value through other comprehensive income***

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### ***Financial assets at fair value through profit or loss***

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss. Our Group has measured the investments in mutual funds at fair value through profit and loss.

### ***Financial instruments at amortized cost***

‘financial instrument’ is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

### ***Equity investment in subsidiaries.***

Investment in subsidiaries are carried at cost. Impairment recognized, if any, is reduced from the carrying value.

### ***De-recognition of financial asset***

Our Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

### ***Financial liabilities***

Financial liabilities are classified at initial recognition at amortised cost using effective interest method or fair value through profit or loss. Our Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The subsequent measurement of financial liabilities depends on their classification, which is described below.

### ***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

### ***Financial liabilities at amortized cost***

Financial liabilities are subsequently carried at amortized cost using the effective interest ('EIR') method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Interest-bearing loans and borrowings are subsequently measured at amortized cost using EIR method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### ***De-recognition of financial liability***

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### ***Fair value of financial instruments***

In determining the fair value of its financial instruments, our Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, our Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and bank balances and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of our Group's cash management.

### **Share based payment**

Employees (including senior executives) of our Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). Our Group has also granted share appreciation rights, which are settled in cash (cash-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model and the cost is recognized, together with a corresponding increase in share options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at



each reporting date until the vesting date reflects the extent to which the vesting period has expired and our Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised as cost. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

### **Segment accounting policies**

Our Group's management team who are the Chief Operating Decision Maker ("CODM") regularly reviews the operating results to make decisions about resource allocation and performance assessment. Our Group operates in one business and geographical segment i.e., healthcare services in India and all the non-current assets held by our Group are located in India. Hence, there are no additional disclosures to be provided under Ind-AS 108 – Segment information with respect to the single reportable segment, other than those already provided in financial statements.

### **Significant accounting judgements, estimates and assumptions**

The preparation of our Group's restated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying our Group's accounting policies, management makes judgment, estimates and assumptions which have the most significant effect on the amounts recognized in the financial statements.

The key judgment, estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year, are described below. Our Group based its judgments and assumptions and estimates on parameters available when the restated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of our Group. Such changes are reflected in the assumptions when they occur.

**Significant accounting judgements, estimates and assumptions used by management are as below:**

#### **Revenue from contracts with customers**

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients. Revenue from hospital services are recognized as and when services are performed, unless significant future uncertainties exist. Our Group assess the distinct performance obligation in the contract and measures to at an amount that reflects the consideration it expects to receive net of tax collected and remitted to Government and adjusted for discounts and concession. Our Group based on contractual terms and past experience determines the performance obligation satisfaction over time.

Unbilled revenue is recorded for the service rendered where the patients are not discharged and final invoice is not raised for the services.

#### **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include

restructuring activities that our Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by our Group.

#### **Defined benefit schemes**

The cost of the defined benefit plan and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, our management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates and expected salary increase thereon.

#### **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and market risk. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### **Measurement of financial instruments at amortized cost**

Financial instrument are subsequently measured at amortized cost using the effective interest ('EIR') method. The computation of amortized cost is sensitive to the inputs to EIR including effective rate of interest, contractual cash flows and the expected life of the financial instrument. Changes in assumptions about these inputs could affect the reported value of financial instruments.

#### **Useful life and residual value of property, plant and equipment and intangible assets**

The useful life and residual value of property, plant and equipment and intangible assets are determined based on evaluation made by our management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgments involved in such estimates the useful life and residual value are sensitive to the actual usage in future period.

#### **Provision for litigations and contingencies**

Provision for litigations and contingencies is determined based on evaluation made by our management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgments around estimates the ultimate outcome of such past events and measurement of the obligation amount. Due to judgments involved in such estimation the provision is sensitive to the actual outcome in future periods.

#### **Deferred tax assets**

Our Group has recognized deferred tax asset to the extent of unabsorbed depreciation carried forward since these losses can be carried forward for indefinite period and there is reasonable certainty that our Group would generate future profits from its operations. Basis our management's evaluation, our Group's business projections provide reasonable evidence that there would be taxable profits generated by our Group in future to utilise the deferred tax assets being carried in the books as at the balance sheet date and accordingly deferred tax asset on unabsorbed depreciation has been recognised.

### **Determining the lease term of contracts – Group as lessee**

Our Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Our Group has several lease contracts that include extension and termination options. Our Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, our Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

### **New and amended standards**

#### ***Amendments to Ind AS 1 and Ind AS 8: Definition of Material***

The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to our Group.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the restated Consolidated financial information.

#### ***Amendments to Ind AS 116: Covid-19-Related Rent Concessions***

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The amendments are applicable for annual reporting periods beginning on or after the April 1, 2020.

## SECTION VI - LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes, in a consolidated manner; and (iv) other pending litigation as determined to be material pursuant to the Materiality Policy in each case involving our Company, our Directors, and our Subsidiary (“**Relevant Parties**”). As on date of this Draft Red Herring Prospectus, our Company does not have any Group Company.*

*Pursuant to the SEBI ICDR Regulations and the Materiality Policy adopted by our Board of Directors on February 7, 2022, for the purposes of disclosure, any pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, including outstanding action, and tax matters has been considered ‘material’ and accordingly disclosed in this Draft Red Herring Prospectus where:*

- (i) the claim / dispute amount, to the extent quantifiable, exceeds 1% of the total income of our Company for Fiscal Year 2021, as per the Restated Consolidated Financial Information;*
- (ii) tax proceedings which individually involve an amount greater than the materiality threshold as defined in (i) above, to be disclosed individually;*
- (iii) Summary of any writ petitions/ insolvency petitions filed; and*
- (iv) where the monetary impact is not quantifiable or the amount involved may not exceed the materiality threshold set out under (i) above, but an outcome in any such litigation would materially and adversely affect our Company’s business, operations, cash flows, financial position or reputation of our Company.*

*1% of the total income of our Company on a restated consolidated basis for Fiscal Year 2021 as per the Restated Consolidated Financial Information is ₹56.66 million. Accordingly, ₹56.66 million is the materiality threshold.*

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. In terms of the Materiality Policy, outstanding dues to any creditor of our Company having monetary value exceeding ₹ 30.38 million, which is 5% of the consolidated trade payables of our Company as of September 30, 2021, as per the Restated Consolidated Financial Information shall be considered as ‘material’. Accordingly, as of September 30, 2021, as per the Restated Consolidated Financial Information, any outstanding dues exceeding ₹30.38 million have been considered as material outstanding dues for the purposes of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or a medium enterprise (“**MSME**”), the disclosure will be based on information available with our Company regarding status of the creditor as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.*

*It is clarified that pre-litigation notices (other than those issued by governmental, statutory, regulatory, judicial, quasi-judicial or tax authorities) received by our Company, our Subsidiary, our Directors shall not be considered as litigation until such time that any of our Company, our Subsidiary, our Directors as the case may be, is made a party to proceedings initiated before any court, tribunal or governmental authority or any judicial authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.*

*All terms defined in a particular litigation disclosure pertain to that litigation only.*

#### **I. Litigation involving our Company**

##### ***Litigation filed against our Company***

##### **(a) Other pending litigations**

- (i)** Kannan Selvam and Pankita Harshad Kamle (“**Complainants**”), have filed a consumer complaint dated September 7, 2020, under section 35 of the Consumer Protection Act, 2019, before the 4<sup>th</sup> Additional District Consumer Disputes Redressal Commission Bangalore Urban against our Company and others alleging, amongst others, negligence, deficiency of service and lack of

reasonable care on the part of our Company that caused the death of their only child (“**Patient**”). Since the Patient was facing breathing problems, he was initially brought to our centre located at Whitefield, Bengaluru where he was treated. However, after examination and initial treatment, it was recommended that the Patient should be shifted to a different health care facility. Accordingly, the Patient was shifted to a third party hospital wherein he eventually died. The Complainants have sought for a compensation of ₹ 99.00 million. Our Company has filed a response denying the allegations made on March 10, 2021. The matter is currently pending.

- (ii) Ms/ Anutej Atharva (“**Operational Creditor**”) has filed a petition dated September 29, 2021, initiating the process of corporate insolvency proceedings against our Company (“**Corporate Debtor**”) under section 9 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal Bench at Bengaluru. It is alleged that the operational debtor has failed to pay the rent as per the revised agreement entered by and between the parties in relation to the earlier leave and licence agreement executed by them. Our Company is yet to file the response. The total amount of alleged operational debt is ₹31.21 million. The matter is currently pending.

### *Litigation filed by our Company*

#### **A. Criminal proceedings**

Our Company has filed a criminal complaint dated July 4, 2018, against Mr. Guruprasad and Ms. Jayasheela (“**Accused**”) under section 138 of the Negotiable Instruments Act, 1881 read with section 200 of the Code of Criminal Procedure, 1973 before the Court of Metropolitan Magistrate Bengaluru alleging dishonour of cheque amounting to ₹0.07 million issued by the Accused to our Company. The matter is currently pending.

#### **B. Tax proceedings involving our Company**

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (in ₹ million)*
Direct Tax	2	10.29
Indirect Tax	3	8.97
<b>Total</b>	<b>5</b>	<b>19.26</b>

\*to the extent quantifiable

### **Outstanding dues to creditors**

In accordance with the Materiality Policy, details of outstanding dues (trade payables) owed to MSME (as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at September 30, 2021, are set out below:

Type of creditors	Number of creditors	Amount involved (in ₹ million)
Material creditors	Nil	Nil
Micro, Small and Medium Enterprises	5	1.07
Other creditors*	1,176	606.55
<b>Total</b>	<b>1,181</b>	<b>607.62</b>

\*include provision for expenses amounting to ₹ 334.53. As certified by Manian and Rao, Chartered Accountants by way of their certificate dated February 10, 2022.

The details pertaining to outstanding dues to the material creditors along with names and amounts involved for each such material creditor are available on the website of our Company at <https://www.cloudninecare.com/others/investors>. It is clarified that such details available on our Company’s website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information including our Company’s website would be doing so at their own risk.

### **Material Developments**

Other than as stated in the section entitled “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 279, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are

likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months from the date of the filing of the DRHP.

## GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, consents, licenses, registrations and permits issued by the relevant governmental and regulatory authorities of the respective jurisdictions under various rules and regulations. Set out below is an indicative list of all material approvals, licenses, registrations and permits obtained by our Company, which are necessary for undertaking their respective businesses (“**Material Approvals**”). Except as mentioned below, no further material approvals from any governmental or regulatory authority or any other entity are required to undertake in relation to the Offer. Additionally, unless otherwise stated herein and in the section “*Risk Factors*” on page 27, these approvals, consents, licenses, registrations and permits are valid as on the date of this Draft Red Herring Prospectus. Certain approvals, licenses, registrations and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures.

We have also set forth below (i) Material approvals or renewals applied for but not received; (ii) approvals expired and renewal yet to be applied for; and (iii) approvals required however yet to be obtained or applied for. For further details in connection with the applicable regulatory and legal framework, see “*Key Industry Regulations and Policies*” on page 180.

### (a) Approvals in relation to the Offer

For details regarding the approvals and authorisations obtained by our Company in relation to the Offer, see “*Other Regulatory and Statutory Disclosures - Authority for the Offer*” on page 327.

### (b) Material Approvals in relation to our business and Operations

We provide expectant mothers with quality medical expertise, medically-advanced facility infrastructure and a bespoke motherhood journey covering most of their needs. We offer end-to-end coverage of all stages of the parenthood journey, beginning with fertility treatments, through maternity, neonatology and paediatrics, dedicated to the holistic well-being of mother and baby. For details, see “*Our Business - Overview*” on page 153. The Material Approvals typically required for the operation of our business are:

#### 1. Business-related approvals

- a. *Registration as a ‘private medical establishment’*: We operate clinical establishments at 23 different locations spread across the states of Karnataka, Tamil Nadu, Maharashtra, Uttar Pradesh, Haryana, Delhi NCR and Union Territory of Chandigarh. Each of these clinical establishments is required to be registered as a ‘private medical establishment’ under the respective state legislations or any other applicable legislations. Further, our Company has three separate fertility clinics in Bengaluru.
- b. *Registration for pre-conception and pre-natal diagnostic testing*: We undertake pre-conception and pre-natal diagnostic testing at our clinical establishments, and are consequently required to obtain registration under the Pre-Natal Diagnostic Techniques (Registration and Prevention of Misuse) Rules, 1996 from the appropriate authority under the Pre-Natal Diagnostic Techniques (Registration and Prevention of Misuse) Act, 1994 (“**PNDT Act**”). Such registrations are required to conduct one or more specified pre-natal diagnostic tests or procedures, depending on the availability of place, equipment, qualified employees, and standards maintained at each of the centre.
- c. *Registration for medical termination of pregnancy*: In order to be able to provide the centre of medical termination of pregnancy, we require government authorisation under the Medical Termination of Pregnancy (Amendment) Act, 2002 (“**MTP Act**”). Such license is issued by the government after conducting inspection and subject to satisfaction that termination of pregnancies will be done under safe and hygienic conditions, and the clinic has the requisite infrastructure and instruments in place.
- d. *Licenses to sell, stock, exhibit and distribute drugs*: We are required to obtain certain licenses under the Drugs and Cosmetics Act, 1940 (“**DC Act**”) with respect to the pharmacies stocking, selling and distributing drugs within the premises of our clinical establishments. We also need to comply with the conditions laid down in the DC Act, the Drugs and Cosmetic Rules, 1945 and such conditions as may be specified in the license.
- e. *Licenses under the Narcotics Drugs and Psychotropic Act, 1985 (“**NDPS Act**”)*: We are required to obtain a license under the NDPS Act, with respect to our purchase, sale and usage of certain ‘narcotic drugs’ and ‘psychotropic substances’, as defined in the NDPS Act.

- f. *Licenses under the Atomic Energy Act, 1952 (“AE Act”)*: We are required to obtain licenses from the Atomic Energy Regulatory Board (“AERB”) with respect to centres being operated by us such as the radiation generating equipment like medical diagnostic or analytical X-ray machines during the ordinary course of our business.
- g. *Building and fire-safety related approvals*: We are required to obtain fire safety certificates and occupancy certificates from local authorities, as applicable, with respect to the premises wherein our clinical establishments are being operated. We are required to obtain Occupancy Certificates from the local authorities with respect to the properties owned by us. Further we are required to obtain/renew fire safety certificates from the local authorities with respect to those properties which are either under lease or leave and license agreements or we are obligated under any such respective lease/leave and license agreements with respect to our centres.

In addition to the afore stated approvals, we are also required to obtain licenses (i) to operate lifts; (ii) to run canteens; (iii) licences under shops and establishments under various state legislations. and (iv) licences under applicable labour legislations.

## 2. Environmental approvals

We are required to obtain consents/ authorisations under the Environment Protection Act, 1986 (“EP Act”), Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”), Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”), and Bio-Medical Waste Management Rules, 2016 (“BMW Rules”), from the relevant state pollution control boards where such clinical establishments are situated. These consents/ authorisations may also prescribe additional conditions that would need to be complied with. Such authorisations are subject to renewals, as applicable.

### (c) **Certain other Material Approvals**

1. Certificates of incorporation issued by the RoC. For details of certificates of incorporation, see “*History and Certain Corporate Matters*” on page 189 and “*General Information*” on page 73.
2. PAN and TAN, issued by the Income Tax Department, GoI.
3. GST registrations have been obtained by our Company and our Subsidiary.

### (d) **Material approvals or renewals applied for but not received**

Name	Description	Authority	Date
<b>Jayanagar, Bengaluru</b>			
1.	Application for renewal of fire safety certificate under the Karnataka Fire and Emergency Services Department.	Government of Karnataka Fire and Emergency Services Department	August 17, 2021
<b>Sahakaranagar, Bengaluru</b>			
2.	Application for NDPS license under the NDPS Act	Commissioner Bengaluru Urban District	November 16, 2021
3.	Application of fire safety certificate under the Karnataka Fire and Emergency Services Department	Karnataka Fire and Emergency Services Department	November 25, 2021
4.	Application under Karnataka Shops and Commercial Establishment Act, 1961	Senior Labour Inspector - 46th Circle	January 24, 2022
5.	Permission for Procurement of X-ray equipment under AERB	Government of India Atomic Regulatory Board Radiological Safety Division	October 5, 2021
<b>Electronic City, Bengaluru</b>			
6.	Application of NDPS license under the NDPS Act	Commissioner Bengaluru Urban District	November 18, 2021
7.	Application under Karnataka Shops and Commercial Establishment Act, 1961	Senior Labour Inspector - 18th Circle	December 15, 2021
8.	Permission For Procurement of X-Ray Equipment under AERB	Government of India Atomic Regulatory Board Radiological Safety Division	October 15, 2021
<b>T Nagar, Chennai</b>			
9.	Application for fresh issue of NDPS Licence under the NDPS Act	Collector of District	January 27, 2021



Name	Description	Authority	Date
<b>Faridabad, Haryana</b>			
10.	Application for the PNDT registration under the PNDT Act	Appropriate Authority Cum Civil Surgeon Civil Hospital Faridabad	January 18, 2022
11.	Application for air and water consent	Haryana State Pollution Control Board	January 20, 2022
12.	Permission for procurement of X-ray equipment under AERB	Government of India Atomic Regulatory Board Radiological Safety Division	December 30, 2021
13.	Application for MTP registration under the MTP Act	Appropriate Authority Cum Civil Surgeon Civil Hospital Faridabad	January 20, 2022
14.	Application of NDPS Licence under the NDPS Act	Drug Controller, Drug Control Department	January 31, 2022
<b>Senapati Bapat Road, Pune</b>			
15.	Application for BMW authorisation	BMW Health Officer Pune	January 19, 2022
16.	Application of NDPS Licence under the NDPS Act	Food and Drugs Administration Maharashtra	January 25, 2022
17.	Application for air and water consent	Maharashtra Pollution Control Board	November 11, 2021
18.	Application for MTP registration under the MTP Act	Health Department Pune Municipal Corporation	January 13, 2022
19.	Application for the Shops and Establishment under the Maharashtra Shops and Establishments Act, 2017	Office of Deputy Commissioner of Labour Pune.	December 1, 2021
<b>Vashi, Mumbai</b>			
20.	Application for Fire NOC certificate	Navi Mumbai Municipal Corporation	January 11, 2022
<b>Punjabi Bagh, Delhi</b>			
21.	Permission for procurement of X-ray equipment under AERB	Government of India Atomic Regulatory Board Radiological Safety Division	December 7, 2021
<b>OMR, Chennai</b>			
22.	Application for MTP registration under the MTP Act	City Medical Officer Greater Chennai Corporation	January 20, 2022
23.	Application for air and water consent	State Pollution Control Board, Tamil Nadu	December 31, 2021
24.	Permission for procurement of X-ray equipment under AERB	Government of India Atomic Regulatory Board Radiological Safety Division	December 4, 2021
<b>Gurugram Sector 47, Haryana</b>			
25.	Application for the renewal NDPS Licence under the NDPS Act	State Drug Controller Haryana	December 31, 2021
<b>Gurugram Sector 14, Haryana</b>			
26.	Application for the renewal NDPS Licence under the NDPS Act	State Drug Controller Panchkula, Haryana	December 31, 2021
<b>Noida, Uttar Pradesh</b>			
27.	Application under NDPS Licence under the NDPS Act	Drug Licensing Authority Gautham Budh Nagar Uttar Pradesh	January 24, 2022
<b>East Delhi, Delhi NCR</b>			
28.	Permission for procurement of X-ray equipment under AERB	Government of India Atomic Regulatory Board Radiological Safety Division	October 4, 2021

**(e) Material approvals required or expired but not applied for**

We have vacated our centre at Shivajinagar and shifted to a new premise at Senapati Bapat Road. While we have applied for some licences pursuant to the shift of our centre, we are yet to apply for the remaining licences. Pursuant to our commencement of our new centre at OMR, Chennai we are yet to apply for some licences. For more details, please see *“Risk Factors - All of our offices and our centres are located on leased premises or premises on a leave and license basis. Any termination, or inability to renew or inability to terminate our agreements, or breach of our agreements by the counterparty, for our offices or centres may lead to*



*disruptions in our operations and affect our business operations” on pages 36 respectively. Further, we may be required to apply for some additional licenses pursuant to receiving the licenses that we have currently applied for certain of our centres, on an ongoing basis.*

#### **Intellectual property related approvals**

We have obtained registrations with respect to the intellectual property created during the course of our business. As on the date of this Draft Red Herring Prospectus, we have obtained 82 trademarks registered in the name of our Company. Our registered trademarks are under classes 16, 35, 38, 41, 42 and 44 respectively. We have also made six applications for the registration of trademarks before the Registrar of Trademarks out of which three applications have been opposed, two have been objected and one advertised.

We have obtained a copyright registration for our programme *MBA* from the Registrar of Copyrights in accordance with the Copyright Act 1957.

Details of certain key trademarks of our Company as on the date of this DRHP are given in the table below:

Sr. no.	Description	Class of Registration
1.		35
2.		44
3.	Cloudnine Fertility	35
4.	Cloudnine Hospitals	35
5.	Cloudnine Care	35
6.	Cloudnine Clinic	35
7.	Cloudnine Healthcare	35
8.	Cloudnine Mother and Child Care	35
9.	Cloudnine	35
10.	BIRTHING AND BEYOND	16

For risks associated with our intellectual property please see, “*Risk Factors – Our inability to protect or use our intellectual property rights or comply with intellectual property rights of others may have a material adverse effect on our business and reputation*” on page 39.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

#### *Corporate Approvals*

The Fresh Issue has been authorised pursuant to the resolution dated January 31, 2022, passed by the Board and the special resolution dated February 1, 2022, passed by the Shareholders under section 62(1)(c) of the Companies Act, 2013. Further, the Board has taken on record the approval of the Offer for Sale by the Selling Shareholders and has approved this Draft Red Herring Prospectus pursuant to its resolution dated February 10, 2022.

#### *Approvals from the Selling Shareholders*

Each of the Selling Shareholders, severally and not jointly, have authorised and confirmed their respective participation in the Offer for Sale as stated below. The Equity Shares being offered by the Selling Shareholders have been held for a period of at least one year immediately preceding the date of this Draft Red Herring Prospectus, or are otherwise eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. The Equity Shares proposed to be offered by the Selling Shareholders may include all or a portion of the Equity Shares, which will be issued upon conversion of the CCPS, held by them as of the date of this DRHP. The conversion of CCPS will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) and Regulation 8 of the SEBI ICDR Regulations. For more details, see “*Capital Structure*” beginning on page 82.

Sr. No.	Name of Selling Shareholders	Number of Equity Shares offered in the Offer for Sale*	Date of board resolution/authorization letter	Date of consent letter
1.	Dr. R Kishore Kumar	Up to 924,444 Equity Shares	-	January 31, 2022
2.	Scripts 'n' Scroll India Private. Limited	Up to 928,000 Equity Shares	January 31, 2022	January 31, 2022
3.	True North Fund V LLP	Up to 5,763,392 Equity Shares	January 24, 2022	January 28, 2022
4.	Indium V (Mauritius) Holdings Limited	Up to 2,171,270 Equity Shares	January 24, 2022	January 28, 2022
5.	SCI Growth Investments II	Up to 3,506,408 Equity Shares	January 27, 2022	January 28, 2022

*\*May include Equity Shares to be issued pursuant to conversion of CCPS prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) and Regulation 8 of the SEBI ICDR Regulations.*

#### *In-principle Listing Approvals*

Our Company has received in-principle approvals from BSE and NSE for the listing of our Equity Shares pursuant to letters dated [•], 2022 and [•], 2022, respectively.

### Prohibition by SEBI, RBI or Governmental Authorities

Our Company, Directors, and each of the Selling Shareholders are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

### Directors associated with the Securities Market

Except for our Executive Director, Rohit M A, who is also a partner of Capier Investments and Capier Investments one which are engaged in securities market related business, none of our Directors are associated with entities associated with securities market in any manner. No action has been initiated by SEBI against Rohit M A in the five years preceding the date of this Draft Red Herring Prospectus.

### Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company and each of the Selling Shareholders, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended (“**SBO Rules**”), to the extent applicable to each of them, as on the date of this Draft Red Herring Prospectus.

## Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(2) of the SEBI ICDR Regulations which states the following:

*“An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five per cent of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.”*

We are an unlisted company that does not satisfy the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to meet the conditions stipulated under Regulation 6(2) of the SEBI ICDR Regulations. We undertake to comply with Regulation 6(2) of the SEBI ICDR Regulations and Allot at least 75% of the Net Offer to QIBs and in the event that we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Our Company confirms that it is also in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Each of the Selling Shareholders confirms compliance with and will comply with the conditions specified in Regulation 8A of the SEBI ICDR Regulations, to the extent applicable.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees shall not be less than 1,000.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations, as follows:

- (a) Neither our Company, nor our Directors, nor any of the Selling Shareholders are debarred from accessing the capital markets by the SEBI.
- (b) None of our Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor any of our Directors has been declared a Wilful Defaulters or a Fraudulent Borrower by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters and fraudulent borrowers issued by the RBI.
- (d) None of our Directors is a Fugitive Economic Offender.
- (e) Except for the options granted pursuant to ESOP Plan 2013 and allotment of Equity Shares pursuant to conversion of CCPS, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, 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. For further information on the ESOP Plan 2013, see “*Capital Structure - Employee Stock Option Scheme*” on page 90.

## 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 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, BEING JM FINANCIAL LIMITED, AXIS CAPITAL LIMITED AND ICICI SECURITIES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. 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 OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND EACH OF THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE, ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF AND FOR ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 10, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

All applicable legal requirements pertaining to the Offer will be complied with at the time of filing the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All applicable legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act.

**Disclaimer from our Company, our Directors, the Selling Shareholders, the BRLMs**

Our Company, our Directors, the Selling Shareholders, the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website (i.e., [www.cloudninecare.com](http://www.cloudninecare.com)), would be doing so at his or her own risk. It is clarified that neither the Selling Shareholders, nor their respective directors, affiliates, associates and officers, accept and/or undertake any responsibility for any statements made or undertakings provided other than those made or undertaken by such Selling Shareholder in relation to itself and/or the Equity Shares offered by it through the Offer for Sale.

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, the Selling Shareholders and our Company.

All information shall be made available by our Company, each of the Selling Shareholders, severally and not jointly (to the extent that the information pertain to its and its respective portions of the Offered Shares) and the BRLMs to the investors and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates, in their capacity as principals or agents, may engage in transactions with, and perform services for, our Company, the Selling Shareholders, their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders, and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

### **Disclaimer in respect of Jurisdiction**

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Bengaluru, India.

This Offer is being made in India to persons resident in India, who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), systemically important non-banking financial companies or trusts under the applicable trust laws, and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act, venture capital funds, permitted insurance companies and pension funds and, to permitted non-residents including Eligible NRIs, AIFs, FPIs and QIBs. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction 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 offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

**No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

**The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”) in accordance with Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act and in accordance with any applicable state securities laws, (ii) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the U.S. Securities Act.

### **Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

### **Disclaimer Clause of NSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

### **Listing**

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares being issued and sold in the Offer and [•] is the Designated Stock Exchange, with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. The Selling Shareholders, severally and not jointly, confirm that they shall extend such reasonable co-operation as may be requested by our Company and the BRLMs, to the extent such assistance is required from such Selling Shareholder in relation to its respective Offered Shares for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI.

If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period. However, the respective Selling Shareholders shall not be liable to pay and / or reimburse any expenses towards refund or any interest thereon in respect to Allotment of their respective proportion of the Offered Shares or otherwise, unless the failure or default or delay, as the case may be, is solely and directly on account of such Selling Shareholder and such liability shall be several and not joint, and limited to the extent of their respective Offered Shares.

### **Consents**

Consents in writing of: (a) the Selling Shareholders, our Directors, our Chief Financial Officer, our Company Secretary and Compliance Officer, the legal counsels, the Bankers to our Company, CRISIL, independent chartered accountant, the BRLMs and Registrar to the Offer have been obtained; and (b) consents of the Monitoring Agency, the Syndicate Members, Bankers to the Offer/Escrow Bank, Public Offer Account Bank, Sponsor Bank and Refund Bank to act in their respective capacities, will be obtained. Further, such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus with the SEBI.

Our Company has received consent dated February 10, 2022 from our Statutory Auditor, Deloitte Haskins & Sells, Chartered Accountants, who holds a valid peer review certificate, to include its name as required under Section 26 of the Companies Act 2013 read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an “expert”, as defined under Section 2(38) of the Companies Act 2013 to the extent and in their capacity as the statutory auditor of our Company and in respect of the report of the Statutory Auditor on the Restated Consolidated Financial Information dated February 7, 2022 and the statement of possible special tax benefits dated February 10, 2022 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term “experts” and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Our Company has received written consent dated February 10, 2022, from an independent project management consultant, One Evolve Enterprise Private Limited, with respect their certificate examinaing and certifying the cost which are proposed to be incurred by the Company towards setting up of centres where such cost will be met out from the proceeds of the Offer, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

#### **Particulars regarding public or rights issues during the last five years**

Our Company has not undertaken any public issue in the five years preceding the date of this Draft Red Herring Prospectus. Other than as disclosed in “*Capital Structure - Notes to the Capital Structure*” on page 83, our Company has not undertaken any rights issues in the five years immediately preceding the date of this Draft Red Herring Prospectus.

#### **Commission or brokerage on previous issues in the last five years**

Since this is the initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of the Equity Shares or CCPS in the five years preceding the date of this Draft Red Herring Prospectus.

#### **Capital issues in the preceding three years by our Company**

Except as disclosed in “*Capital Structure - Notes to the Capital Structure*” on page 83, our Company has not made any capital issue during the three years preceding the date of this Draft Red Herring Prospectus.

#### **Capital issues in the preceding three years by listed group companies, subsidiary and associates of our Company**

Our Company does not have any Subsidiary that is listed on any stock exchange. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any group companies or associates.

#### **Performance vis-à-vis objects – Public/ rights issue of our Company**

Our Company has not undertaken any public issue in the five years preceding the date of this Draft Red Herring Prospectus. Other than as disclosed in “*Capital Structure - Notes to the Capital Structure*” on page 83, our Company has not undertaken any rights issues in the five years immediately preceding the date of this Draft Red Herring Prospectus.

#### **Performance vis-à-vis Objects - Public/rights issue of the listed subsidiary of our Company**

Our Subsidiary is not listed on any stock exchange.

#### **Price information of past issues handled by the Book Running Lead Managers**

##### **JM Financial Limited**

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited.*

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180 <sup>th</sup> calendar days from listing
1.	AGS Transact Technologies Limited <sup>#</sup>	6,800.00	175.00	January 31, 2022	176.00	Not Applicable	Not Applicable	Not Applicable
2.	CMS Info Systems Limited <sup>#</sup>	11,000.00	216.00	December 31, 2021	237.40	21.99% [-1.81%]	Not Applicable	Not Applicable
3.	Data Patterns (India) Limited <sup>*</sup>	5,882.24	585.00	December 24, 2021	856.05	29.70% [3.61%]	Not Applicable	Not Applicable
4.	C.E. Info Systems Limited <sup>#</sup>	10,396.06	1,033.00	December 21, 2021	1,394.55	70.21% [6.71%]	Not Applicable	Not Applicable



Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180 <sup>th</sup> calendar days from listing
5.	Tega Industries Limited*	6,192.27	453.00	December 13, 2021	760.00	30.70% [3.96%]	Not Applicable	Not Applicable
6.	Go Fashion (India) Limited*	10,136.09	690.00	November 30, 2021	1,310.00	59.75% [1.36%]	Not Applicable	Not Applicable
7.	Sapphire Foods India Limited	20,732.53	1,180.00	November 18, 2021	1,350.00	3.69% [-4.39%]	Not Applicable	Not Applicable
8.	FSN – Commerce Ventures Limited* <sup>7</sup>	53,497.24	1,125.00	November 10, 2021	2018.00	92.31% [-2.78%]	68.46% [-4.46%]	Not Applicable
9.	Aditya Birla Sun Life AMC Limited*	27,682.56	712.00	October 11, 2021	715.00	-11.36% [0.55%]	-23.85% [-0.74%]	Not Applicable
10.	Krsnaa Diagnostics Limited* <sup>8</sup>	12,133.35	954.00	August 16, 2021	1,005.55	-9.42% [4.93%]	-27.73% [9.30%]	Not Applicable

Source: www.nseindia.com and www.bseindia.com

# BSE as Designated Stock Exchange

\* NSE as Designated Stock Exchange

Notes:

- Opening price information as disclosed on the website of the Designated Stock Exchange.
- Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.
- For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.
- 30<sup>th</sup> calendar day has been taken as listing date plus 29 calendar days; 90<sup>th</sup> calendar day has been taken as listing date plus 89 calendar days; 180<sup>th</sup> calendar day has been taken as listing date plus 179 calendar days.
- Restricted to last 10 issues.
- A discount of Rs. 100 per equity share was offered to eligible employees bidding in the employee reservation portion.
- A discount of Rs. 93 per equity share was offered to eligible employees bidding in the employee reservation portion.

Not Applicable – Period not completed

Source: www.nseindia.com for price information and prospectus/basis of allotment for issue details

Notes:

## 2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited.

Financial Year	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium as on 180 <sup>th</sup> calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-2022	17	2,89,814.06	-	-	2	5	5	4	-	-	-	4	1	2
2020-2021	8	62,102.09	-	-	3	2	1	2	-	-	-	5	2	1
2019-2020	4	36,400.83*	-	-	1	-	1	2	-	1	1	-	1	1

\*Spandana Sphoorty Financial Limited raised Rs. 11,898.49 million as against the issue size of Rs. 12,009.36 million

## Axis Capital Limited

### 1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Axis Capital Limited.

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1	CMS Info Systems Limited <sup>(1)</sup>	11,000.00	216.00	31-Dec-21	218.50	+21.99%, [-1.81%]	-	-
2	Supriya Lifescience Limited <sup>(1)</sup>	7,000.00	274.00	28-Dec-21	425.00	+78.61%, [-0.07%]	-	-

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
3	Medplus Services Limited <sup>(1)</sup>	Health 13,982.95	796.00	23-Dec-21	1,015.00	+53.22%, [+3.00%]	-	-
4	Metro Brands Limited <sup>(1)</sup>	13,675.05	500.00	22-Dec-21	436.00	+21.77%, [+4.45%]	-	-
5	C.E. Info Systems Limited <sup>(1)</sup>	10,396.06	1,033.00	21-Dec-21	1,581.00	+70.21%, [+6.71%]	-	-
6	Shriram Properties Limited <sup>(2)</sup>	6,000.00	118.00	20-Dec-21	90.00	-12.42%, [+9.02%]	-	-
7	Tega Industries Limited <sup>(2)</sup>	6,192.27	453.00	13-Dec-21	760.00	+30.70%, [+3.96%]	-	-
8	Star Health and Allied Insurance Company Limited <sup>(2)</sup>	60,186.84	900.00	10-Dec-21	845.00	-14.78%, [+1.72%]	-	-
9	Latent Analytics Limited <sup>@(1)</sup>	View 6,000.00	197.00	23-Nov-21	530.00	+153.58%, [-2.96%]	-	-
10	One Communications Limited <sup>(1)</sup>	97 183,000.00	2,150.00	18-Nov-21	1,955.00	-38.52%, [-4.40%]	-	-

Source: www.nseindia.com and www.bseindia.com

(1)BSE as Designated Stock Exchange

(2)NSE as Designated Stock Exchange

\* offer price was Rs. 718.00 per equity share to eligible employees

\$ offer price was Rs.107.00 per equity share to eligible employees

^offer price was Rs.820.00 per equity share to eligible employees

@offer price was Rs.178.00 per equity share to eligible employees

Notes:

a) Issue Size derived from Prospectus/final post issue reports, as available.

b) The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.

c) Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.

d) In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.

e) Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available

## 2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Axis Capital Limited.

Fiscal Year*	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-2022*	24	578,022.82	-	2	6	6	5	5	-	-	-	4	1	2
2020-2021	11	93,028.90	-	-	6	2	1	2	-	1	1	4	3	2
2019-2020	5	161,776.03	-	1	2	-	-	2	1	1	-	-	-	3

\* The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

## ICICI Securities Limited

### 1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by ICICI Securities Limited.

Sr. No.	Issue Name	Issue Size (in Rs. Mn)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Sapphire Foods India Limited <sup>^^</sup>	20,732.53	1,180.00	18-NOV-21	1,350.00	+3.69%, [-4.39%]	NA*	NA*
2	Latent View Analytics Limited <sup>^</sup>	6,000.00	197.00 <sup>(1)</sup>	23-NOV-21	530.00	+153.58%, [-2.96%]	NA*	NA*
3	Tarsons Products Limited <sup>^</sup>	10,234.74	662.00 <sup>(2)</sup>	26-NOV-21	700.00	-4.16%, [+0.03%]	NA*	NA*
4	Go Fashion (India) Limited <sup>^^</sup>	10,136.09	690.00	30-NOV-21	1,310.00	+59.75%, [+1.36%]	NA*	NA*
5	Star Health and Allied Insurance Company Limited <sup>^^</sup>	60,186.84	900.00 <sup>(3)</sup>	10-DEC-21	845.00	-14.78%, [+1.72%]	NA*	NA*
6	Shriram Properties Limited <sup>^^</sup>	6,000.00	118.00 <sup>(4)</sup>	20-DEC-21	90.00	-12.42%, [+9.02%]	NA*	NA*
7	Metro Brands Limited <sup>^</sup>	13,675.05	500.00	22-DEC-21	436.00	+21.77%, [+4.45%]	NA*	NA*
8	Supriya Lifescience Limited <sup>^</sup>	7,000.00	274.00	28-DEC-21	425.00	+78.61%, [-0.07%]	NA*	NA*
9	AGS Transact Technologies Limited <sup>^</sup>	6,800.00	175.00	31-JAN-22	176.00	NA*	NA*	NA*
10	Adani Wilmar Limited <sup>^^</sup>	36,000.00	230.00 <sup>(5)</sup>	08-FEB-22	227.00	NA*	NA*	NA*

\*Data not available.

<sup>^</sup>BSE as designated stock exchange

<sup>^^</sup>NSE as designated stock exchange

(1) Discount of Rs. 19 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 197.00 per equity share.

(2) Discount of Rs. 61 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 662.00 per equity share.

(3) Discount of Rs. 80 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 900.00 per equity share.

(4) Discount of Rs. 11 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 118.00 per equity share.

(5) Discount of Rs. 21 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 230.00 per equity share.

## 2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by ICICI Securities Limited.

Financial Year	Total No. of IPOs	Total Funds Raised (in Rs. Mn)	No. of IPOs trading at discount – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount – 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium – 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22*	25	7,12,028.24	-	2	6	6	3	6	-	-	-	3	1	1
2020-21	14	1,74,546.09	-	-	5	5	2	2	-	1	3	5	3	2
2019-20	4	49,850.66	-	-	2	-	1	1	1	-	-	2	-	1

\* This data covers issues up to YTD

Notes:

1. Data is sourced either from [www.nseindia.com](http://www.nseindia.com) or [www.bseindia.com](http://www.bseindia.com), as per the designated stock exchange disclosed by the respective Issuer Company.

2. Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.

3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day

## Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the BRLM	Website
1.	JM Financial Limited	www.jmfl.com
2.	Axis Capital Limited	www.axiscapital.co.in
3.	ICICI Securities Limited	www.icicisecurities.com

### Stock market data of the Equity Shares

This being the initial public offering of the Equity Shares 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 with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares pursuant to the Offer, or such other period as may be prescribed under applicable law to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹ 100 or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for the stipulated period. In an event there is a delay in redressal of the investor grievance, the BRLMs shall compensate the investors at the rate higher of ₹ 100.00 or 15% per annum of the application amount. For helpline details of the BRLMs pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see 'General Information' on page 73.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

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 their obligations under applicable SEBI ICDR Regulations.

Investors can contact the Company Secretary and the Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations or non-receipt of funds by electronic mode.

### 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 10 Working Days from the date of receipt of the complaint. In

case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has applied for the authentication on SCORES in terms of SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, and shall comply with the SEBI circular (CIR/OIAE/1/2014CIR/OIAE/1/2013) dated December 18, 2014, in relation to redressal of investor grievances through SCORES.

Our Company has appointed Madhusudhan P., as the Company Secretary and Compliance Officer of our Company, and he may be contacted in case of any pre-Offer or post-Offer related problems. For details, see “*General Information*” on page 73.

Each of the Selling Shareholders have, severally and not jointly, authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Further, our Board has constituted a Stakeholders’ Relationship Committee, which is responsible for redressal of grievances of the security holders of our Company. For more information, see “*Our Management - Corporate governance- Committees of the Board - Stakeholders Relationship Committee*” on page 208. Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

**Exemption from complying with any provisions of securities laws, if any, granted by SEBI**

The Company has not sought for any exemptions from complying with any provisions of securities laws.

## SECTION VII - OFFER RELATED INFORMATION

### TERMS OF THE OFFER

The Equity Shares offered and Allotted in the Offer will be subject to the provisions of the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the CAN, the abridged prospectus and other terms and conditions as may be incorporated in the Allotment Advices and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to issue and offer for sale and listing and trading of securities, issued from time to time, by SEBI, Government of India, Stock Exchanges, the RoC, RBI and/or other authorities to the extent applicable or such other conditions as maybe prescribed by such governmental and/or regulatory authority while granting approval for the Offer.

#### The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. Expenses for the Offer shall be shared amongst our Company and each of the Selling Shareholders in the manner specified in “*Objects of the Offer – Offer Expenses*” on page 109.

#### Ranking of Equity Shares

The Equity Shares being offered and Allotted in the Offer will be subject to the provisions of the Companies Act, 2013, the Memorandum of Association and the Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of dividends and other corporate benefits, if any, declared by our Company. For more information, see “*Main Provisions of the Articles of Association*” on page 368.

#### Mode of payment of dividend

Our Company will pay dividend, if declared, to the Shareholders, as per the provisions of the Companies Act, 2013, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the Government of India in this respect. Any dividends declared after the date of Allotment (including pursuant to the transfer of Equity Shares from the Offer for Sale) in this Offer will be received by the Allottees in accordance with applicable law. For more information, see “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 216 and 368, respectively.

#### Face value, Offer Price and Price Band

The face value of each Equity Share is ₹ 5.00. At any given point of time, there will be only one denomination for the Equity Shares. The Floor Price of the Equity Shares is ₹ [•] and the Cap Price of the Equity Shares is ₹ [•]. The Anchor Investor Issue Price is ₹ [•] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the Book Running Lead Managers, and shall be advertised at least two Working Days prior to the Bid/Offer Opening Date, in all editions of [•] (a widely circulated English national daily newspaper), all editions of [•] (a widely circulated Hindi national daily newspaper) and [•] editions of [•] (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka), and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. 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 website of the Stock Exchanges.

The Offer Price shall be determined by our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the Book Running Lead Managers, after the Bid/Offer Closing Date.

#### Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the equity Shareholders**

Subject to applicable law and the Articles of Association, the equity Shareholders will have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the terms of the SEBI Listing Regulations and the Memorandum of Association and Articles of Association and other applicable laws.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see “*Main Provisions of the Articles of Association*” on page 368.

## **Allotment only in dematerialised form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form.

In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated February 3, 2022, among NSDL, our Company and the Registrar to the Offer.
- Tripartite Agreement dated February 4, 2022, among CDSL, our Company and Registrar to the Offer.

## **Market lot and trading lot**

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialised form in multiples of [•] Equity Shares, subject to a minimum Allotment of [•] Equity Shares. For the method of the Basis of Allotment, see “*Offer Procedure*” on page 347.

## **Joint holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-tenants with benefits of survivorship.

## **Nomination facility**

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or First Bidder, with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest, to the exclusion of all other person, unless the nomination is verified or cancelled in the prescribed manner. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. 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 Equity Share(s) in the event of the holder’s death during minority. A nomination shall stand rescinded upon a sale or transfer of Equity Shares by the holder of such Equity Shares. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company

in the prescribed form. A fresh nomination can be made only on the prescribed form, which is available on request at the Registered and Corporate Office or with the registrar and transfer agent of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, will, on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participant.

#### **Bid/Offer Period**

<b>BID/OFFER OPENS ON*</b>	[•]
<b>BID/OFFER CLOSES ON**</b>	[•]
<b>FINALISATION OF THE BASIS OF ALLOTMENT</b>	[•]
<b>INITIATION OF REFUNDS/UNBLOCKING OF FUNDS FROM ASBA ACCOUNTS***</b>	[•]
<b>CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS</b>	[•]
<b>COMMENCEMENT OF TRADING</b>	[•]

\* Our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

\*\* Our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the Book Running Lead Managers, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date.

\*\*\* In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

The above timetable is indicative in nature and does not constitute any obligation or liability on our Company, the Selling Shareholders or the members of the Syndicate. While our Company will use best efforts to ensure that listing and trading of the Equity Shares on the Stock Exchanges commences within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI, the timetable may be subject to change for various reasons, including extension of Bid/Offer Period by our Company, acting through the IPO Committee, and the Selling Shareholders in consultation with the BRLMs, due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law. The Selling Shareholders, severally and not jointly, confirm that they shall extend such reasonable co-operation, to the extent such assistance is required from such Selling Shareholder in relation to its respective Offered Shares, as may be requested by our Company and the Book Running Lead Managers for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other time as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the



above mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

**Submission of Bids (other than Bids from Anchor Investors):**

<b>Bid/Offer Period (except the Bid/Offer Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST
<b>Bid/Offer Closing Date</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

**On the Bid/Offer Closing Date, the Bids shall be uploaded until:**

- i. 4.00 p.m. Indian Standard Time in case of Bids by QIBs and Non-Institutional Investors, and
- ii. until 5.00 p.m. Indian Standard Time or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received from Retail Individual Investors after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the Book Running Lead Managers to the Stock Exchanges.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.**

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

Due to limitation of time available for uploading Bids on the Bid/Offer Closing Date, Bidders are advised to submit Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. Bidders are cautioned that if a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public issues, which 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 in the Offer. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by the SCSBs would be rejected. Our Company, the Selling Shareholders and the members of Syndicate will not be responsible for any failure in uploading Bids due to faults in any hardware/software system or otherwise. Bids will be accepted only on Working Days. Investors may please note that as per letters dated July 3, 2006 and July 6, 2006, issued by BSE and NSE respectively, Bids and any revisions in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges.

Our Company, acting through the IPO Committee, and the Selling Shareholders, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

**In case of any revision to the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank, as applicable.**

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.

### **Minimum subscription**

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received, in accordance with applicable law. If there is a delay beyond four days, our Company and the Selling Shareholders, to the extent applicable, shall pay interest at the rate of 15% per annum including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. No liability to make any payment of interest shall accrue to any Selling Shareholder unless any delay in making any of the payments hereunder or any delay in obtaining listing and/or trading approvals or any other approvals in relation to the Offer is caused solely by, and is directly attributable to, an act or omission of such Selling Shareholder and to the extent of its portion of the Offered Shares.

The requirement for minimum subscription is not applicable to the Offer for Sale.

In case of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue (“**Minimum Subscription**”) prior to the sale of Equity Shares in the Offer for Sale, provided that post satisfaction of the Minimum Subscription, Equity Shares will be Allotted under the Offer for Sale in proportion to the Offered Shares being offered by the Selling Shareholders. For avoidance of doubt, it is hereby clarified that balance Equity Shares of the Fresh Issue (i.e., 10% of the Fresh Issue) will be offered only once the entire portion of the Offered Shares is Allotted in the Offer.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Under-subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

### **Arrangement for disposal of odd lots**

Since the Equity Shares will be traded in dematerialised form only and the market lot for the Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

### **New financial instruments**

Our Company is not issuing any new financial instruments through this Offer.

### **Restriction on transfer of shares and transmission of Equity Shares**

Except for lock-in of the pre-Offer capital of our Company, the Anchor Investor lock-in in the Offer as detailed in “*Capital Structure*” on page 82 and except as provided in the Articles of Association as detailed in “*Main Provisions of the Articles of Association*” on page 368, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/splitting.

## OFFER STRUCTURE

The Offer of up to [•] Equity Shares of face value of ₹ 5 each for cash at price of ₹ [•] per Equity Share (including a premium of ₹ [•] per Equity Share) aggregating to up to ₹ [•] million comprising of a Fresh Issue of up to [•] Equity Shares aggregating up to ₹ 3000.00 million by our Company and an Offer of Sale of up to 13,293,514\* Equity Shares, aggregating up to ₹ [•] million by the Selling Shareholders.

*\*May include Equity Shares to be issued pursuant to conversion of CCPS prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) and Regulation 8 of SEBI ICDR Regulations.*

The Offer comprises Employee Reservation Portion of up to [•] Equity Shares and a Net Offer of up to [•] Equity Shares. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. The Offer and the Net Offer shall constitute [•]% and [•]%, respectively of the post-Offer paid-up Equity Share capital of our Company. Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹ 600.00 million prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.

In terms of Rule 19(2) (b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 6(2) of the SEBI ICDR Regulations.

Particulars	Eligible Employees#	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Investors	Individual
Number of Equity Shares available for Allotment or allocation <sup>*(2)</sup>	Up to [•] Equity Shares	Not less than [•] Equity Shares	Not more than [•] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and RII	Not more than [•] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders	
Percentage of Offer available for Allotment or allocation	Up to [•]% of the Offer	Not less than 75% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not more than 15% of the Net Offer less allocation to QIB Bidders and RII will be available for allocation	Not more than 10% of the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders will be available for allocation	
Basis of Allotment respective category is oversubscribed*	Proportionate; unless the Employee Reservation Portion is under-subscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000.00. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion	Proportionate as follows (excluding the Anchor Investor Portion): a) [•] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) [•] Equity Shares shall be available for allocation on a	Proportionate	The allotment to each RII shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For further details, see “Offer Procedure” on page 347	

Particulars	Eligible Employees#	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Investors	Individual
	may be allocated, on a proportionate basis, to Eligible Employees Bidding in the Employee Reservation Portion for value exceeding ₹200,000.00, subject to total Allotment to an Eligible Employee not exceeding ₹500,000.00	proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above c) [•] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price			
Mode of Bid	ASBA only (including the UPI Mechanism)	Through ASBA Process only (except in case of Anchor Investors)			
Minimum Bid	[•] Equity Shares and in multiples of [•] Equity Shares thereafter	Such number of Equity Shares in multiples of [•] Equity Shares such that the Bid Amount exceeds ₹ 200,000.00	Such number of Equity Shares in multiples of [•] Equity Shares such that the Bid Amount exceeds ₹ 200,000.00	[•] Equity Shares and in multiples of [•] Equity Shares thereafter	
Maximum Bid	Such number of Equity Shares in multiples of [•] Equity Shares so as to ensure that the Bid Amount by each Eligible Employee does not exceed ₹500,000.00	Such number of Equity Shares in multiples of [•] Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [•] Equity Shares not exceeding the size of the Net Offer, (excluding the QIB Portion) subject to limits applicable to the Bidder	Such number of Equity Shares in multiples of [•] Equity Shares so that the Bid Amount does not exceed ₹ 200,000.00	
Mode of Allotment	Compulsorily in dematerialised form				
Bid Lot	[•] Equity Shares and in multiples of [•] Equity Shares thereafter				
Allotment Lot	A minimum of [•] Equity Shares and in multiples of one Equity Share thereafter  For Retail Individual Investors, [•] Equity Shares and in multiples of one Equity Share thereafter, subject to availability in the Retail Category				
Trading Lot	One Equity Share				
Who can apply <sup>(3)</sup>	Eligible Employees	Public financial institutions as specified in Section 2(72) of as the Companies Act, 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with	Resident individuals, NRIs, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices. which are re-categorised as Category II FPIs and registered with SEBI	Resident individuals, NRIs and HUFs (in the name of the Karta)	Indian Eligible

Particulars	Eligible Employees#	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Investors	Individual
		IRDAI, provident funds(subject to applicable law) with minimum corpus of ₹ 250.00 million, pension funds with minimum corpus of ₹ 250.00 million, National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and NBFC-SI			
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank through the UPI Mechanism (only for Retail Individual Investors) that is specified in the ASBA Form at the time of submission of the ASBA Form <sup>(4)</sup>				
Mode of Bid	Only through the ASBA process (except for Anchor Investors)				

\* Assuming full subscription in the Offer.

# Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000.00 (net of employee discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000.00 (net of employee discount). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000.00 (net of employee discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000.00 (net of employee discount). An Eligible Employee Bidding in the Employee Reservation Portion (subject to Bid Amount being up to ₹ 200,000.00) can also Bid in the Retail Category, and such Bids shall not be considered multiple Bids. However, Bids by Eligible Employees Bidding in the Employee Reservation Portion and in the Non Institutional Portion shall be treated as multiple Bids. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.

(1) Our Company, acting through the IPO Committee, and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further details, see "Offer Procedure" on page 347.

(2) Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 6(2) of the SEBI ICDR Regulations.

(3) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms 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 as indicated in the CAN. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

**Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For details, see "Terms of the Offer" on page 338.**

#### Withdrawal of the Offer

The Offer shall be withdrawn in the event that 90% of the Fresh Issue portion of the Offer is not subscribed.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue and the Selling Shareholders, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment.

In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company and/ or the Selling Shareholders, in consultation with the BRLMs withdraw the Offer at any stage and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days of the Bid/ Offer Closing Date or such other time period as prescribed under applicable law; and (ii) filing of the Prospectus with the RoC. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

## OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “**General Information Document**”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (“UPI Phase I”), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors (“UPI Phase III”), as may be prescribed by SEBI. Accordingly, The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular has come into force for initial public offers opening on or after May 1, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 has reduced the time period for refund of application monies from 15 days to four days.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100.00 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Our Company, Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document which are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are

*submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus and the Prospectus.*

### **Book Building Procedure**

The Offer is being made through the Book Building Process in compliance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Net Offer shall be allocated on a proportionate basis to QIBs, provided that our Company, acting through the IPO Committee, and the Selling Shareholders may, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Furthermore, up to [•] Equity Shares, aggregating up to ₹ [•] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company, acting through the IPO Committee, and the Selling Shareholders in consultation with the BRLMs, and the Designated Stock Exchange. 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. Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000 (net of employee discount) subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of employee discount). The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

In accordance with Rule 19(2)(b) of the SCRR, the Offer and Net Offer will constitute at least [•]% and [•]%, respectively, of the 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.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID (for RIIs Bidding through the UPI Mechanism and Eligible Employees Bidding in the Employee Reservation Portion Bidding using the UPI Mechanism), as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

### **Phased implementation of Unified Payments Interface**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia* equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIIs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till



June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

Pursuant to the UPI Streamlining Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the Retail Individual Investors using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

### **Electronic registration of Bids**

- a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.
- b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment.

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Offer Opening Date. Copies of the Anchor Investor Application Form will be available with the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Retail Individual Investors using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected. Retail Individual Investors bidding using the UPI Mechanism may also apply through the

SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- (i) RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (ii) RIIs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (iii) QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis <sup>^</sup>	[•]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[•]
Anchor Investors <sup>^^</sup>	[•]
Eligible Employees Bidding in the Employee Reservation Portion <sup>#</sup>	[•]

\*Excluding the electronic Bid cum Application Form

<sup>^</sup>Electronic Bid cum Application Form will be made available for download on the website of the BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com))

<sup>^^</sup>Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.

<sup>#</sup>Bid cum Application Forms for Eligible Employees shall be available at the Registered and Corporate Office of our Company.

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIIs using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds.

In case of ASBA forms, the relevant Designated Intermediaries shall capture and upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges.

For RIIs Bidding using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs, for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIIs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Issue shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and

unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Issue Closing Date (“**Cut-Off Time**”). Accordingly, RIIs Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

For ASBA Forms (other than RIIs Bidding using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to “qualified institutional buyers” (as defined in Rule 144A), in accordance with Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act and in accordance with any applicable state securities laws.**

**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 BRLMs and the Syndicate Members and the persons related to the BRLMs and the Syndicate Members**

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, none of the BRLMs nor any associates of the BRLMs can apply in the Offer under the Anchor Investor Portion:

- (i) mutual funds sponsored by entities which are associate of the BRLMs;
- (ii) insurance companies promoted by entities which are associate of the BRLMs;
- (iii) AIFs sponsored by the entities which are associate of the BRLMs; or
- (iv) FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associates of the BRLMs.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the

BRLMs.

### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and Selling Shareholders in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External ("NRE") accounts (including UPI ID, if activated), or FCNR Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB confirm or accept the UPI mandate request (in case of RIIs using the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/NRO accounts.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). By way of Press Note 1 (2021 Series) dated March 19, 2021, issued by the DPIIT, it has been clarified that an investment made by an Indian entity which is owned and controlled by NRIs on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Participation by Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

For details of restrictions on investment by NRIs, see '*Restrictions on Foreign Ownership of Indian Securities*' on page 366.

### **Bids by HUFs**

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs may be considered at par with Bids from individuals.

### **Bids by FPIs**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. With effect from the April 1, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar to the Offer shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Bids by FPIs which utilise the multi investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

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, may issue, subscribe to 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 in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

- (a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as “**MIM Structure**”), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected by respective Syndicate/Broker or SCSBs at the time of Bidding.

Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids:

- FPIs which utilise the MIM structure, indicating the name of their respective investment managers in such confirmation;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([•] in colour).

#### **Bids by SEBI registered VCFs, AIFs and FVCIs**

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 (“**SEBI VCF Regulations**”) as amended, inter alia prescribe the investment restrictions on VCFs, registered with SEBI. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (“**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended (“**SEBI FVCI Regulations**”), prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs 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 offering.

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 VCF 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 whose shares are proposed to be listed. 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 until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

**There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.**

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

**Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

#### **Bids by Limited Liability Partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

#### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications. Bidders are advised to refer to the Banking Regulation Act, 1949, as amended and the Master Directions - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended for specific investment limits applicable to them.

#### **Bids by Insurance Companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

- (a) equity shares of a company: the lower of 10%\* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer 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 fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000.00 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000.00 million or more but less than ₹2,500,000.00 million.*

Insurance companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **Bids by Provident Funds/Pension Funds**

In case of Bids made by provident funds/pension funds with minimum corpus of ₹ 250 million, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs reserve the right to reject any Bid, without assigning any reason thereof.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250.00 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250.00 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and Selling Shareholders in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and Selling Shareholders in consultation with the BRLMs, may deem fit.

### **Bids by Anchor Investors**

- (a) In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
- (b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100.00 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 ₹ 100.00 million.
- (c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (d) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.
- (e) Our Company and the Selling Shareholders, in consultation with the BRLMs may finalise 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:
  - (i) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100.00 million;
  - (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100.00 million but up to ₹ 2,500.00 million, subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor; and
  - (iii) in case of allocation above ₹ 2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500.00 million, and an additional 10 Anchor Investors for every additional ₹ 2,500.00 million, subject



to minimum Allotment of ₹ 50.00 million per Anchor Investor.

- (f) 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 Exchanges.
- (g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (h) 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 Offer Price will be payable by the Anchor Investors on the Anchor Investor pay-in date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.
- (i) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- (j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) shall apply in the Offer under the Anchor Investor Portion. For details, see “- *Participation by associates and affiliates of the BRLMs and the Syndicate Members and the persons related to the BRLMs and the Syndicate Members*” on page 351.
- (k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

#### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by NBFC-SI registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the NBFC-SI, are required to be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI shall be as prescribed by RBI from time to time.

#### **Bids by Eligible Employees**

The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000.00 (net of employee discount). The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price provided that the Bid does not exceed ₹500,000.00 (net of employee discount).

However, Allotments to Eligible Employees in excess of ₹ 200,000.00 (net of employee discount) shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000.00 (net of employee discount) (which will be less Employee Discount). Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [•] colour form).
- (b) The Bidder should be an Eligible Employee as defined. In case of joint bids, the first Bidder shall be an Eligible Employee.

- (c) Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.
- (d) Only those Bids, which are received at or above the Offer Price, net of Employee Discount, if any would be considered for Allotment under this category.
- (e) Eligible Employees can apply at Cut-off Price.
- (f) If the aggregate demand in this category is less than or equal to [•] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- (g) Eligible Employees bidding in the Employee Reservation Portion shall not Bid through the UPI mechanism.
- (h) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer.

In case of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion. If the aggregate demand in this category is greater than [•] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis.

Please note that any individuals who are directors, employees or promoters of (a) the BRLMs, Registrar to the Offer, or the Syndicate Members, or of the (b) 'associate companies' (as defined in the Companies Act, 2013, as amended) and 'group companies' of such BRLMs, Registrar to the Offer or Syndicate Members are not eligible to bid in the Employee Reservation Portion.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.**

### **General Instructions**

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIIs can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

### **Do's:**

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) and PAN in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time;
6. RIIs Bidding in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for RIIs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

8. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;
9. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
11. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, 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 beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
13. Ensure that 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;
14. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
15. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;
16. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
17. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.
18. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for RIIs bidding through UPI mechanism) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for RIIs bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for RIIs bidding through UPI mechanism) and PAN available in the Depository database;
19. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [http:// www.sebi.gov.in](http://www.sebi.gov.in));
20. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid. In case of RIIs Bidding through

the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

21. Ensure that the Demographic Details are updated, true and correct in all respects;
22. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;
23. Bidders (except RIIs Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIIs, once the Sponsor Bank issues the Mandate Request, the RIIs would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request to authorise the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
24. Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, a RII Bidding through UPI Mechanism shall be deemed to have verified the attachment containing the application details of the RII Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Bank issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;
25. RIIs bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;
26. RIIs using the UPI Mechanism who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.
27. Ensure that the PAN is linked with Aadhaar and is in compliance with CBDT notification dated February 13, 2020, and press release dated June 25, 2021.
28. Bids by Eligible NRIs HUFs and any individuals, corporate bodies and family offices which are recategorised as Category II FPI and registered with SEBI for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer; and
29. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.
30. If you are in the United States or a U.S. person then you are both a U.S. QIB and a QP, and you will purchase, hold or transfer Equity Shares amounting to at least US\$250,000 or its equivalent in another currency.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Bids by eligible NRIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional category for allocation in the Offer.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid Lot;
2. Do not submit a Bid using UPI ID, if you are not a RII;
3. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Investors and ₹ 500,000

for Bids by Eligible Employees Bidding in the Employee Reservation Portion;

4. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
5. Do not Bid/revise the Bid amount to less than the floor price or higher than the cap price;
6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not submit the Bid for an amount more than funds available in your ASBA account;
11. 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;
12. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
13. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Red Herring Prospectus;
15. Do not Bid for Equity Shares more than specified by the respective Stock Exchanges for each category;
16. In case of ASBA Bidders (other than RIIs using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;
17. If you are RII and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;
18. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;
19. Anchor Investors should not bid through the ASBA process;
20. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;
21. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
22. Do not submit the GIR number instead of the PAN;
23. Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;
24. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;
25. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/Offer Closing Date;
26. 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 Bidder. Retail Individual Investors can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

27. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are RII and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;
28. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, details if you are a RII Bidding through the UPI Mechanism. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;
29. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;
30. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIIs using the UPI Mechanism;
31. RIIs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a banks which is not mentioned in the list provided in the SEBI website is liable to be rejected; and
32. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIIs Bidding using the UPI Mechanism.
33. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

For helpline details of the BRLMs pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “*General Information – Book Running Lead Managers*” on page 75.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “*General Information*” on page 73.

For details of grounds for technical rejections of a Bid cum Application Form, see the General Information Document.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Designated Stock Exchanges, along with the BRLMs and the Registrar to the Offer, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the Red Herring Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Net Offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIIs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each RII shall not be less than the minimum bid lot, subject to the availability of shares in RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

#### **Payment into Anchor Investor Escrow Account**

Our Company and the Selling Shareholders, in consultation with the BRLMs will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[•]”
- (b) In case of Non-Resident Anchor Investors: “[•]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all [•] edition of [•] (a widely circulated English national daily newspaper), [•] all edition of [•] (a widely circulated Hindi national daily newspaper) and [•] edition of [•] (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka).

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the 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 X of the SEBI ICDR Regulations.

**The information set out above is given for the benefit of the Bidders/applicants. Our Company, the respective Selling Shareholders, and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.**

### **Signing of the Underwriting Agreement and Filing with the RoC**

- (a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.
- (b) After signing the Underwriting Agreement, the Prospectus will be filed with the RoC in accordance with applicable law. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

### **Impersonation**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under Section 447”*

The liability prescribed under Section 447 of the Companies Act, 2013, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5.00 million or with both.

## **Undertakings by our Company**

Our Company undertakes the following:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Offer Closing Date or within such other time period prescribed by SEBI will be taken;
- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- if Allotment is not made within the prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable laws for the delayed period;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that if our Company or the Selling Shareholders do not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;
- that if our Company and the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event our Company or the Selling Shareholders subsequently decide to proceed with the Offer;
- Except for (i) issuance of Equity Shares pursuant to exercise of options granted under the ESOP Plan 2013(ii) allotment of equity Shares pursuant to conversion of CCPS and (iii) Pre-IPO Placement, no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc; and
- adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders.

## **Undertakings by the Selling Shareholders**

Each Selling Shareholder severally and not jointly, specifically undertakes and/or confirms the following in respect of itself and its respective portion of the Offered Shares:

- (i) it is the legal and beneficial holder and has full title to its respective portion of the Offered Shares;
- (ii) its respective portion of the Offered Shares are fully paid and are in dematerialized form;
- (iii) its respective portion of the Offered Shares are free and clear of any encumbrances and shall be transferred to the Bidders within the time specified under applicable law; and
- (iv) it shall not have recourse to the proceeds from the Offer for Sale until receipt by our Company of the final listing and trading approvals from all the Stock Exchanges in accordance with applicable law.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Offer Price, will be taken by our Company and the Selling Shareholders in consultation with the BRLMs.

The statements and undertakings provided above, in relation to the Selling Shareholders, are statements, which are specifically confirmed or undertaken, severally and not jointly, by each Selling Shareholder in relation to itself and its respective portion of the Offered Shares. All other statements, undertakings, or both in this Draft Red



Herring Prospectus in relation to the Selling Shareholders, shall be statements made by our Company, even if the same relate to the Selling Shareholders.

#### **Utilisation of Offer Proceeds**

Our Board certifies that:

- (i) all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-Section (3) of Section 40 of the Companies Act, 2013;
- (ii) details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- (iii) details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The responsibility of granting approval for foreign investment under the Consolidated FDI Policy and FEMA has been entrusted to the concerned ministries/departments.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India (“**DPIIT**”) issued the Consolidated FDI Policy, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that: (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations, (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

Pursuant to the Consolidated FDI Policy, FDI of up to 100% is permitted under the automatic route in our Company.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “*Offer Procedure - Bids by Eligible NRIs*” and “*Offer Procedure - Bids by FPIs*” on page 352 and 353, respectively.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

For further details, see “*Offer Procedure*” on page 247.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”) in accordance with Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act and in accordance with any applicable state securities laws, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**

## **SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**

*Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of the Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

*The Articles of Association of our Company which have been adopted by our Board pursuant to a resolution dated January 31, 2022, and approved by the Shareholders pursuant to a special resolution dated February 1, 2022, comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until listing and commencement of trading of the equity shares of the Company on a recognized stock exchange in India pursuant to an initial public offering of its equity shares (“IPO”). Part A shall automatically terminate and cease to have any force and effect from, and upon the earlier of the following dates: a) June 30, 2022, or such other date as may be mutually extended in writing among the Parties and (d) date on which the IPO is withdrawn and any offer document filed with any regulator in respect of an IPO, including any draft offer document filed with the Securities and Exchange Board of India is withdrawn. Except with respect to Article 165 in Part A, in case of inconsistency between Part A and Part B, the provisions of Part B shall prevail. However, Part B shall automatically terminate and cease to have any force and effect from the date of receipt of final approval for listing and trading of equity shares of the Company on the recognized stock exchanges in India subsequent to an initial public offering of the equity shares of the Company without any further action by the Company or by the Shareholders and Part A shall continue to be in effect. Further, as long as Part B remains a part of these Articles and notwithstanding what is stated elsewhere in these Articles, Part B shall be read with the Amendment Agreement dated February 1, 2022, relating to the amended and restated shareholders’ agreement dated June 30, 2021.*

### **PART A OF THE ARTICLES OF ASSOCIATION**

#### **APPLICABILITY OF TABLE F**

Subject as hereinafter provided and in so far as these presents do not modify or exclude them, the regulations contained in Table ‘F’ of Schedule I of the Companies Act, 2013, as amended, shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modifications thereof or are not expressly or by implication excluded from these Articles.

The regulations for the management of the Company and for the observance of the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by Special Resolution as prescribed or permitted by the Companies Act, 2013, as amended, be such as are contained in these Articles.

#### **PUBLIC COMPANY**

Article 3 provides that, “The Company is a public company within the meaning of the Act”.

#### **SHARE CAPITAL AND VARIATION OF RIGHTS**

Article 4 provides that, “The authorized Share Capital of the Company shall be as set out in Clause V of the Memorandum of Association with the power to increase or reduce such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the Shares in the Share Capital for the time being into Equity Share Capital and Preference Share Capital, and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.”

Article 6 provides that, “Subject to the provisions of Section 61 of the Act, the Company may from time to time by Ordinary Resolution, undertake any of the following:

- (i) consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares;
- (ii) convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;
- (iii) sub-divide its Shares, or any of them, into Shares of smaller amount, such that the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; or

- (iv) cancel any Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person, and diminish the amount of its Share Capital by the amount of Shares so cancelled. A cancellation of Shares pursuant to this Article shall not be deemed to be a reduction of the Share Capital within the meaning of the Act.

Article 7 provides that, “Subject to the provisions of these Articles, the Act, other applicable Law and subject to such other approvals, permissions or sanctions as may be necessary, the Company may issue any Shares with or without differential rights upon such terms and conditions and with such rights and privileges (including with regard to voting rights and dividend) as may be permitted by the Act or the applicable Law or guidelines issued by the statutory authorities and/ or listing requirements and that the provisions of these Articles.”

Article 8 provides that, “Subject to the provisions of Section 55 of the Act, any preference Shares may, with the sanction of a Special Resolution, be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, by Special Resolution determine.”

Article 10 provides that, “Where at any time, it is proposed to increase its subscribed Share Capital by the issuance/ allotment of further Shares either out of the unissued Share Capital or increased Share Capital then, such further Shares may be offered to:

- (i) Persons who, at the date of offer, are holders of equity Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those Shares by sending a letter of offer subject to the following conditions: (a) the offer shall be made by notice specifying the number of Shares offered and limiting a time not being less than 15 (fifteen) days, or such lesser number of days as may be prescribed under the Act, 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; (b) the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to him or any of them in favour of any other Person and the notice referred to in (a) shall contain a statement of this right, *provided that* the Board may decline, without assigning any reason therefore, to allot any Shares to any Person in whose favour any Member may renounce the Shares offered to him; and (c) after expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Members and the Company;

Nothing in sub-Article (i) (b) above shall be deemed to extend the time within which the offer should be accepted; or 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. The notice referred to in sub-Article (i)(a) above shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least 3 (three) days before the opening of the offer.

- (ii) employees under a scheme of employees’ stock option, subject to Special Resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable Laws; or
- (iii) any Persons, whether or not those Persons include the Persons referred to in (i) or (ii) above, either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer, subject to compliance with the applicable provisions of Chapter III of the Act and any other conditions as may be prescribed, if a Special Resolution to this effect is passed by the Company in a General Meeting.

Article 14 provides that, “Any Debentures, debenture-stock or other Securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a Special Resolution and subject to the provisions of the Act.

Article 17 provides that, “The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.”

Article 18 provides that, “Subject to the provisions of the Act, the Company may issue bonus Shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit.”

Article 19 provides that, “Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable Laws.”

Article 20 provides that, “Subject to the provisions of the Act, the Company may, from time to time, by Special Resolution reduce in any manner and with, and subject to, any incident authorised and consent required under applicable Law:

- (i) the Share Capital;
- (ii) any capital redemption reserve account; or
- (iii) any securities premium account.

### **CAPITALISATION OF PROFITS**

Article 21 provides that, “The Company in General Meeting may, upon the recommendation of the Board, resolve—

- (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account or otherwise available for distribution; and
- (ii) that such sum be accordingly set free for distribution in the manner specified in Article 22 below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.”

Article 22 provides that, “The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provision contained in Article 24 below, either in or towards:

- (i) paying of any amounts for the time being unpaid on any Shares held by such Members respectively; or
- (ii) paying up in full, un-issued Shares of the company to be allotted and distributed, credited as fully paid, to and amongst such Members in the proportions aforesaid; or
- (iii) partly in the way specified in Article 22(i) and partly in that specified in Article 22(ii) above.
- (iv) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, only be applied in the paying up of un-issued Shares to be issued to Members of the Company as fully paid bonus Shares.
- (v) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.”

Article 23 provides that, “Whenever such a resolution as specified in Article 22 above is passed, the Board shall:

- (i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares, if any; and
- (ii) generally, do all acts and things required to give effect thereto.”

Article 24 provides that, “The Board shall have power to:

- (i) make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares or Debentures becoming distributable in fractions; and
- (ii) authorise any Person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by

the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares.”

Article 25 provides that, “Any agreement made under such authority shall be effective and binding on such Members.”

## **BUY-BACK OF SHARES**

Article 26 provides that, “Subject to the provisions of Sections 68 to 70 and other applicable provisions of the Act or any other law for the time being in force, the Company shall have the power to buy-back its own Shares or other Securities, as it may consider necessary.”

## **COMMISSION AND BROKERAGE**

Article 27 provides that, “The Company may exercise the powers of paying commissions conferred by Section 40(6) of the Act (as amended from time to time), *provided that* the rate per cent or amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.”

Article 28 provides that, “The rate or amount of the commission shall not exceed the rate or amount prescribed under the applicable rules made under Section 40(6) of the Act.”

Article 29 provides that, “The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other.”

Article 30 provides that, “The Company may also, on any issue of Shares or Debentures, pay such brokerage as may be lawful.”

## **LIEN**

Article 31 provides that, “The Company shall have a first and paramount lien upon all the Shares/ Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) to the extent of monies called or payable in respect thereof, and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/ Debentures. Fully paid up Shares shall be free from all liens. Unless otherwise agreed, the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company’s lien if any, on such Shares/ Debentures. In case of partly-paid Shares, Company’s lien shall be restricted to the monies called or payable at a fixed time in respect of such Shares. *Provided that* the Board may at any time declare any Shares/ Debentures wholly or in part to be exempt from the provisions of this Article. *Provided further that* the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

Article 32 provides that, “Subject to the provisions of the Act, the Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien. *Provided that* no sale shall be made -

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.

Article 33 provides that, “A Member shall not exercise any voting rights in respect of the Shares in regard to which the Company has exercised the right of lien.”

Article 34 provides that, “To give effect to any such sale, the Board may authorise some Person to transfer the Shares sold to the purchaser thereof.

- (i) The purchaser shall be registered as the holder of the Shares comprised in any such transfer.
- (ii) 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.”

Article 35 provides that, “(i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. And (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the Person entitled to the Shares at the date of the sale.

## **CALLS ON SHARES**

Article 36 provides that, “Subject to the provisions of the Act, the Board may, from time to time, make calls upon the Members in respect of any money unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

*Provided that* no call shall exceed one-fourth of the nominal value of the Share or be payable at less than one month from the date fixed for the payment of the last preceding call.

Article 37 provides that, “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.”

Article 40 provides that, “The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.”

Article 41 provides that, “If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest thereof from the day appointed for payment thereof to the time of actual payment at 10% (ten per cent) per annum or at such lower rate, if any, as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.”

Article 42 provides that, “Any sum which by the terms of the issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue, such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.”

Article 43 provides that, “The Board may, if it thinks fit, subject to the provisions of the Section 50 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at twelve per cent per annum. *Provided that* money paid in advance of calls shall not confer a right to dividend or to participate in profits. The Board may at any time repay the amount so advanced.

The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

The provisions of these Articles shall *mutatis mutandis* apply to any calls on Debentures of the Company.”

## **TRANSFER OF SHARES**

Article 53 provides that, “The Securities or other interest of any Member shall be freely transferable, *provided that* any contract or arrangement between 2 (two) or more Persons in respect of transfer of Securities shall be enforceable as a contract. The instrument of transfer of any Share in the Company shall be duly executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the register of Members in respect thereof. A common form of transfer shall be used in case of transfer of Shares. The instrument of transfer shall be in writing and shall be executed by or on behalf of both the transferor and transferee and shall be in conformity with all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of Shares and the registration thereof.”

Article 57 provides that, “Only fully paid Shares or Debentures shall be transferred to a minor acting through his/her legal or natural guardian. Under no circumstances, Shares or Debentures be transferred to any insolvent or a person of unsound mind.”



Article 60 provides that, “The Board may decline to recognize any instrument of transfer unless—

- (i) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56 of the Act;
- (ii) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (iii) the instrument of transfer is in respect of only one class of Shares.”

Article 61 provides that, “No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents.”

Article 62 provides that, “The Company may close the register of Members or the register of debenture-holders or the register of other security holders for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time, subject to giving of previous notice of at least 7 (seven) days or such lesser period as may be specified by SEBI.”

### **TRANSMISSION OF SHARES**

Article 63 provides that, “On the death of a Member, the survivor or survivors where the Member was a joint holder of the Shares, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only Person(s) recognised by the Company as having any title to his interest in the Shares. Nothing in this Article shall release the estate of the deceased joint holder from any liability in respect of any Share which had been jointly held by him with other Persons.

Article 64 provides that, “Any Person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as the Board may from time to time require, and subject as hereinafter provided, elect, either:

- (i) to be registered as holder of the Share; or
- (ii) to make such transfer of the Share as the deceased or insolvent Member could have made.

All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.”

Article 65 provides that, “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.”

Article 69 provides that, “A Person becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to the General Meetings of the Company, *provided that* the Board may, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share, until the requirements of the notice have been complied with.”

### **FORFEITURE OF SHARES**

Article 70 provides that, “If a Member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.”

Article 71 provides that, “The notice issued under Article 70 shall:

- (i) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (ii) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made will be liable to be forfeited.”

Article 72 provides that, “If the requirements of any such notice as aforesaid is not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.”

Article 73 provides that, “A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.”

Article 75 provides that, “A Person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by the Person to the Company in respect of the Shares.”

## **SHARES AND SHARE CERTIFICATES**

Article 83 provides that, “A Person subscribing to Shares of the Company shall have the option either to receive certificates for such Shares or hold the Shares with a Depository in electronic form. Where the Person opts to hold any Share with the Depository, the Company shall intimate such Depository of details of allotment of the Shares to enable the Depository to enter in its records the name of such Person as the beneficial owner of such Shares.”

Article 84 provides that, “Unless the Shares have been issued in dematerialized form, every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or sub-division or consolidation or renewal of any of its Shares as the case may be or within a period of six months from the date of allotment in the case of any allotment of Debenture or within such other period as the conditions of issue shall be provided –

- (i) one certificate for all his Shares without payment of any charges; or
- (ii) several certificates, each for one or more of his Shares, upon payment of such fees as the directors may from time to time determine for each certificate after the first.”

Article 86 provides that, “If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members of the Company shall as regards voting at General Meetings, service of notice and all or any matters connected with the Company, except the transfer of Shares and any other matters herein otherwise provided, be deemed to be sole holder thereof but joint holders of the Shares shall be severally as well as jointly liable for the payment of all deposits, instalments and calls due in respect of such Shares and for all incidents thereof according to these Articles.”

Article 88 provides that, “If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, 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 not exceeding Rs. 50 (Rupees fifty) for each certificate. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is not further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares and debenture certificates and for subdivision of Letters of Allotment and Split, Consolidation and Renewal and Transfer Receipts into denominations of the market units of trading.

*Provided that* notwithstanding what is stated above, the Directors shall comply with such rules or regulations and requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other act or rules applicable in this behalf.

The provisions of this Article shall *mutatis mutandis* apply to issue of certificates for any other Securities, including Debentures, of the Company.”

## SHAREHOLDERS' MEETINGS

Article 92 provides that, “An Annual General Meeting shall be held each year within the period specified by the Law. Not more than 15 (fifteen) months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called during business hours on a day that is not a national holiday (declared as such by the Central Government), and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situate, as the Board may determine. Every Member of the Company shall be entitled to attend every General Meeting either in person or by proxy.”

2. Article 97 provides that, “

- (i) The Board may, whenever it thinks fit, call an extraordinary General Meeting.
- (ii) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two Members of the Company may call an extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
- (iii) The Board shall on the requisition of such number of Member or Members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra-ordinary General Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.
- (iv) A General Meeting of the Company may be convened by giving not less than clear 21 (twenty-one) days' notice either in writing or through electronic mode in such manner as prescribed under the Act, *provided that* a General Meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by majority in number of members entitled to vote and who represent not less than 95% (ninety-five percent) of such part of the paid-up Share Capital of the Company as gives a right to vote at such General Meeting.
- (v) Notice of every General Meeting shall be given to the Members and to such other Person or Persons as required by and in accordance with Section 101 and 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act.
- (vi) A General Meeting may be called after giving shorter notice if consent, in writing or by electronic mode, is accorded thereto in accordance to the provisions of Section 101 of the Act. *Provided that* where any Member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those Members shall be taken into account for the purposes of this Article in respect of the former resolution or resolutions and not in respect of the latter.
- (vii) Any accidental omission to give notice to, or the non-receipt of such notice by, any Member or other Person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.
- (viii) Subject to the provisions contained under Section 115 of the Act, where, by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice of the intention to move such resolution shall be given to the Company by such number of Members holding not less than one per cent of total voting power or holding Shares on which such aggregate sum not exceeding five lakh rupees, has been paid-up and the Company shall immediately after receipt of the notice, give its members notice of the resolution at least 7 (seven) days before the meeting, exclusive of the day of dispatch of notice and day of the meeting, in the same manner as it gives notice of any General Meetings.”

## PROCEEDINGS AT SHAREHOLDERS' MEETINGS

Article 98 provides that, “No business shall be transacted at any General Meeting, unless a quorum of Members is present at the time when the meeting proceeds to transact business.”

Article 100 provides that, “In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the General Meeting shall stand adjourned to the same place and time 7 (seven) days later or to such other date and such other time and place as

the Board may determine, *provided that* the agenda for such adjourned General Meeting shall remain the same. The said General Meeting if called by requisitionists under Section 100 of the Act shall stand cancelled.”

Article 109 provides that, “The Chairperson of the Board of Directors or in his absence the vice-Chairperson of the Board shall, preside as chairperson at every General Meeting, annual or extraordinary.”

Article 110 provides that, “If there is no such Chairperson or if he is not present within 15 (fifteen) minutes after the time appointed for holding the General Meeting or is unwilling to act as the Chairperson of the General Meeting, the Directors present shall elect one of their members to be the Chairperson of the General Meeting.”

## **VOTING RIGHTS**

Article 116 provides that, “Subject to any rights or restrictions for the time being attached to any class or classes of Shares:

- (i) on a show of hands, every Member present in Person shall have 1 (one) vote; and
- (ii) on a poll, the voting rights of Members shall be in proportion to their Share in the paid-up Share Capital.”

Article 118 provides that, “At any General Meeting, a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the voting on any resolution on show of hands) demanded by any Member or Members present in Person or by proxy, and having not less than one-tenth of the total voting power or holding Shares on which an aggregate sum of not less than Rs. 5,00,000 lakhs (Rupees Five Lakh) or such higher amount as may be prescribed has been paid up.”

Article 119 provides that, “Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.”

Article 121 provides that, “In 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. For this purpose, seniority shall be determined by the order in which the names are stated in the register of Members of the Company.”

Article 122 provides that, “A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.”

Article 123 provides that, “No Member shall be entitled to exercise any voting rights either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his/ her name on which any calls or other sums presently payable by him in respect of Shares in the Company have not been paid.”

Article 126 provides that, “Any poll duly demanded on the question of adjournment shall be taken forthwith. A poll demanded on any other question (not being a question relating to the election of a Chairperson or adjournment of the meeting) shall be taken at such time not exceeding 48 (forty-eight) hours from the time when the demand was made, as the Chairperson may direct.”

Article 135 provides that, “On a poll taken at meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.”

## **PROXY**

Article 138 provides that, “Subject to the provisions of the Act and these Articles, any Member of the Company entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint a proxy to attend and vote instead of himself and the proxy so appointed shall have no right to speak at the meeting.”

Article 139 provides that, “The proxy shall not be entitled to vote except on a poll.”

Article 140 provides that, “The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office not less than 48 (forty-eight) hours before the time for holding the meeting or adjourned meeting at which the

Person named in the instrument proposes to vote; or in the case of a poll, not less than 24 (twenty-four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.”

Article 141 provides that, “An instrument appointing a proxy shall be in the form as prescribed under Section 105 of the Act and the rules framed thereunder.”

Article 142 provides that, “A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given; *provided that* no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or the adjourned meeting at which the proxy is used.”

## **BOARD OF DIRECTORS**

Article 143 provides that, “The business of the Company shall be managed by the Directors who may pay expenses incurred in setting up and registering the Company and may exercise all such powers of the Company as are not restricted by the Act or by these Articles. The Board may pay all expenses incurred in getting up and registering the Company.”

Article 144 provides that, “The number of the Directors and the names of the first Directors shall be determined in writing by the subscribers of the Memorandum of Association or a majority of them.”

Article 145 provides that, “Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), *provided that* the Company may appoint more than 15 (fifteen) directors after passing a Special Resolution. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days in each financial year. Subject to the provisions of the Act three Independent Directors or such number of Independent Directors shall be appointed by the Board as may be required under the provisions of the applicable laws.”

Article 147 provides that, “Subject to the provisions of the Act, each Director shall be paid sitting fees for each meeting of the Board or a Committee thereof attended by him, subject to the ceiling prescribed under the Act.”

Article 152 provides that, “The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of the Act. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing to the Company and the Board shall on receipt of such notice take note of the same and the Company shall intimate the Registrar and also place the fact of such resignation in the report of Directors laid in the immediately following General Meeting. Such Director may also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within 30 (thirty) days of resignation. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later.”

Article 157 provides that, “The Company, may by Ordinary Resolution, of which special notice has been given in accordance with the Section 169 of the Act, remove any Director including the managing director, if any, before the expiration of the period of his office. Notwithstanding anything contained in these Articles or in any agreement between the Company and such Director, such removal shall be without prejudice to any contract of service between him and the Company.”

Article 161 provides that, “In the event of the Company borrowing any money from any financial corporation or institution or government or any government body or a collaborator, bank, Person or Persons or from any other source, while any money remains due to them or any of them the lender concerned may have and may exercise the right and power to appoint, from time to time, any Person or Persons to be a Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject however, to the limits prescribed by the Act. Any Person so appointed may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of Person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointee and served on the Company. Such Director need not hold any qualification Shares.”

Article 165 provides that, “Subject to the provisions of the Act and approval of the Shareholders by way of a Special Resolution in the first general meeting after the initial public offering, and so long as each of Investors hold at least 5 % (five per cent.) of the Equity Shares (“**Investor Shareholder Director Threshold**”) on a fully

diluted basis, each of the Investor Shareholder shall be entitled to nominate a Director on the Board (each, a “**Nominee Director**”). For the avoidance of doubt, each Investor shall cease to have the right to appoint its respective Nominee Director under this Article once its shareholding falls below the Investor Shareholder Nominee Threshold, notwithstanding that its shareholding subsequently increases to or beyond the Investor Shareholder Nominee Threshold. So long as each of the Investors have nominated at least one Nominee Director on the Board or have the right to appoint a Nominee Director on the Board such Investor Shareholder shall have the right to appoint such Nominee Director as a member of each committee or subcommittee constituted by the Board subject to the provisions of applicable law.”

## **PROCEEDINGS OF THE BOARD**

Article 171 provides that, “The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.”

Article 172 provides that, “A Director may, and the manager or the Secretary of the Company upon the requisition of a Director shall, at any time convene a meeting of the Board.”

Article 176 provides that, “If quorum is found to be not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting, valid quorum no longer exists, the meeting shall be reconvened at the same time and at the same place 7 (seven) days later. At the reconvened meeting, the Directors present and not being less than 2 (two) Persons shall constitute the quorum and may transact the business for which the meeting was called and any resolution duly passed at such meeting shall be valid and binding on the Company.”

Article 180 provides that, “The Board may elect a Chairperson for its meetings and determine the period for which he is to hold office. The Chairperson of the Board shall be an Independent Director, at all times, which Independent Director shall also be the Chairperson of the General Meeting. The Board may likewise appoint a vice-chairman of the Board of Directors to preside over the meeting at which the chairman shall not be present. If at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of their Member to be Chairperson of the meeting.”

Article 181 provides that, “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.”

Article 183 provides that, “A committee may elect a Chairperson of its meetings and may also determine the period for which he is to hold office. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Members present may choose one of their Members to be Chairperson of the meeting.”

## **POWERS OF THE DIRECTORS**

Article 189 provides that, “The Directors shall have powers for the engagement and dismissal of managers, engineers, clerks and assistants and shall have power of general directions, management and superintendence of the business of the Company with full power or do all such acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company and to make and sign all such contracts, and other government papers and instruments that shall be necessary, proper or expedient, for the authority and direction of the Company except only such of them as by the Act or by these Articles are expressly directed to be exercised by the Members in the General Meeting.”

Article 192 provides that, “Subject to the provisions of the Act and these Articles, the Board shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do; *provided that* the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act, or any other statute or by the Memorandum of Association or by these Articles or otherwise, to be exercised or done by the Company in a General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but no regulation made by the Company in General meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.”

## **BORROWING POWERS**

Article 195 provides that, “Subject to the provisions of the Act, the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable Debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and Securities of the Company or by other means as the Board deems expedient.”

Article 196 provides that, “The Board of Directors shall not, except with the consent of the Company by way of a Special Resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) exceeds the aggregate of paid-up Share Capital, free reserves and securities premium of the Company.”

## **DIVIDEND AND RESERVES**

Article 197 provides that, “The Company in a General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.”

Article 198 provides that, “Subject to the provisions of Section 123 of the Act, the Board may, from time to time, pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.”

Article 199 provides that, “The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at a like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.”

Article 203 provides that, “The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares.”

Article 210 provides that, “Where a dividend has been declared by the Company but has not been paid or claimed within 30 (thirty) days from the date of the declaration to any Shareholder entitled to the payment of the dividend, the Company shall, within 7 (seven) days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the ‘Unpaid Dividend Account’.”

Article 211 provides that, “Any money transferred to the ‘Unpaid Dividend Account’ of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company along with the interest accrued, if any, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.”

## **INSPECTION OF ACCOUNTS**

Article 214 provides that,

- (i) “The Board shall cause proper books of account to be maintained under Section 128 and other applicable provisions of the Act..
- (ii) The Board shall, from time to time, in accordance with the Act, determine whether and to what extent and at what times and places and under what conditions or regulations all books of the Company or any of them, shall be open to the inspection of Members not being Directors.

- (iii) No Member (not being a Director) or other Person shall have any right of inspecting any account book or document of the Company except as conferred by Law or authorised by the Board or by the Company in General Meetings.
- (iv) Each Director shall be entitled to examine the books, accounts and records of the Company, and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company.”

## **WINDING UP**

Article 218 provides that, “Subject to the provisions of Chapter XX of the Act and rules made thereunder:

- (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 in 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 a 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.”

Article 219 provides that, “The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016, as amended.”

## **GENERAL AUTHORITY**

Article 225 provides that, “Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company cannot carry out any transaction unless the Company is so authorized by its Articles then in that case, these Articles hereby authorize and empower the Company to have such rights, privilege or authority and to carry out such transaction as have been permitted by the Act, without there being any specific Article in that behalf herein provided.”

## **INDEMNITY**

Article 226 provides that, “Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the National Company Law Tribunal. Subject to the provisions of the Act, the Company shall procure and maintain suitable and customary directors and officers’ liability insurance cover from a reputed insurance company for the Directors, for an amount of at least INR 30,000,000 per incident per Director. The amount of the insurance cover stated herein above can be increased by the Board depending upon the growth of the business of the Company and other circumstances.”

## **PART B OF THE ARTICLES OF ASSOCIATION**

Part B of the Articles of Association provide for, among other things, the rights of certain shareholders pursuant to the Shareholders’ Agreement. For more details on the Shareholders’ Agreement, see “*History and Certain Corporate Matters – Details of Shareholders’ agreements and other material agreements*” on page 194.



## **SECTION IX - OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts 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 filed with the Registrar of Companies, and also the documents for inspection referred to hereunder may be inspected at the Registered and Corporate Office, from 10.00 a.m. to 5.00 p.m. on Working Days and will also be available at the website of our Company accessed at <https://www.cloudnincare.com/others/investors> from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such agreements executed after the Bid/Offer Closing Date).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

#### **Material contracts to the Offer**

1. Offer Agreement dated February 10, 2022, entered into among our Company, the Selling Shareholders and the Book Running Lead Managers.
2. Registrar Agreement dated February 9, 2022 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.
3. Monitoring Agency Agreement dated [•], entered into between our Company and the Monitoring Agency.
4. Cash Escrow and Sponsor Bank Agreement dated [•], entered into among our Company, the Selling Shareholders, the Book Running Lead Managers, Syndicate Members, the Bankers to the Offer, and the Registrar to the Offer.
5. Share Escrow Agreement dated [•], entered into among our Company, the Selling Shareholders, and the Share Escrow Agent.
6. Syndicate Agreement dated [•], entered into among our Company, the Selling Shareholders, the Book Running Lead Managers and Syndicate Members.
7. Underwriting Agreement dated [•], entered into among our Company, the Selling Shareholders, the Book Running Lead Managers, Registrar to the Offer and Syndicate Members.

#### **Material documents**

1. Certified copies of the Memorandum of Association and the Articles of Association, as amended until date.
2. Certificate of incorporation dated December 15, 2005, issued to our Company under the name “Kids Clinic Bangalore Private Limited” issued by the RoC.
3. Fresh certificate of incorporation dated September 16, 2011, issued by the RoC pursuant to a change in name from “Kids Clinic Bangalore Private Limited” to “Kids Clinic India Private Limited”.
4. Certificate of incorporation dated December 13, 2021, issued by the RoC pursuant to conversion of our Company to a public limited company.
5. Copies of the annual reports of our Company for Fiscals ended March 31, 2021, March 31, 2020, and March 31, 2019, respectively.
6. Employment Agreement dated April 17, 2019, entered into between our Company and our CEO read with the resolution dated January 4, 2022, passed by our Board and a resolution dated January 14, 2022, passed by our Shareholders wherein Raviganesh Venkataraman was appointed as an Executive Director and CEO of our Company and term of his employment was extended.

7. Resolution dated January 31, 2022, passed by our Board authorising the Fresh Issue and other related matters.
8. Resolution dated February 1, 2022, passed by our Shareholders authorising the Fresh Issue and other related matters.
9. Consent letters and authorisations from the Selling Shareholders, authorising their participation in the Offer. For further details, see “*The Offer*” on page 65.
10. Share Subscription and Shareholders’ Agreement dated March 17, 2015, executed between our Company, Acquity Labs, Akash Navilebasappa and Bhanumathi Akash.
11. Share Purchase Agreement dated December 28, 2021, executed between our Company, Acquity Labs, Akash Navilebasappa and Bhanumathi Akash.
12. Amended and Restated Shareholders’ Agreement dated June 30, 2021, executed between our Company, NewQuest, SCI Growth Investments II, Indium V (Mauritius) Holdings Limited, True North Fund V LLP, Dr. R Kishore Kumar, Rohit M A, Scrips ‘N’ Scrolls India Private Limited, Ramachandra Munisamappa, M A Usha Rani, Gautham Kalro, Vinay Katrela, R Venkatesh Babu, B.R. Rajendra, Monica Rohit, Vidya Kumar, S.V. Girish, B R Shekar, Kallesh Hebbal, Shanta Murthy, Dr. Poornima Mallegowda, Dr and Dharani Bhai.
13. The Amendment Agreement dated February 1, 2022 entered into by and among NewQuest, SCI Growth Investments II, Indium V (Mauritius) Holdings Limited, True North Fund V LLP, Dr. R Kishore Kumar, Rohit M A, Scrips ‘N’ Scrolls India Private Limited, Ramachandra Munisamappa, M A Usha Rani, Gautham Kalro, Vinay Katrela, R Venkatesh Babu, B.R. Rajendra, Monica Rohit, Vidya Kumar, S.V. Girish, B R Shekar, Kallesh Hebbal, Shanta Murthy, Dr. Poornima Mallegowda and Dr, Dharani Bhai.
14. Resolution dated February 10, 2022 passed by the Board, approving this Draft Red Herring Prospectus.
15. Report titled “*Assesment of the Healthcare Delivery Market in India*” released in December, 2021, issued by CRISIL pursuant to an engagement letter dated October 26, 2021 entered into with our Company, and consent letter dated January 25, 2022, issued by CRISIL in relation to the Report.
16. The ESOP Plan 2013 as amended.
17. Statement of possible special tax benefits dated February 10, 2022 from the Statutory Auditors included in this Draft Red Herring Prospectus.
18. The examination report dated February 7, 2022, of the Statutory Auditors, Deloitte Haskins & Sells, Chartered Accountants, on the Restated Consolidated Financial Information.
19. Consent of our Statutory Auditors, Deloitte Haskins & Sells, Chartered Accountants for inclusion of their name as experts, and in respect of their (i) examination report dated February 7, 2022 on our Restated Consolidated Financial Information; and (ii) report dated February 10, 2022 on statement of special tax benefits.
20. Consents of the Book Running Lead Managers, the Registrar to the Offer, the bankers to our Company, the legal counsel to the Company as to Indian Law, the legal counsel to the Investor Selling Shareholders as to Indian Law, the legal counsel to the Book Running Lead Managers as to Indian Law, the legal counsel to the Book Running Lead Managers as to International Law, the Directors, the Company Secretary and Compliance Officer, the Chief Financial Officer, the independent chartered accountant and the Bankers(s) to the Offer, to act in their respective capacities.
21. Consent letter dated February 10, 2022 from the independent project management consultant, One Evolve Enterprise Private Limited, to include its name in this Draft Red Herring Prospectus to the extent with reference to the certificate dated February 10, 2022 provided by it, and certain details included in this Draft Red Herring Prospectus in relation to the Objects of the Offer.
22. Tripartite agreement dated February 3, 2022, among our Company, NSDL and the Registrar to the Offer.
23. Tripartite agreement dated February 4, 2022, among our Company, CDSL and the Registrar to the Offer.

24. Due diligence certificate to SEBI from the Book Running Lead Managers dated February 10, 2022.
25. In-principle listing approvals dated [•] and [•] from BSE and NSE, respectively.
26. Final observations letter dated [•] issued by SEBI.

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines 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, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE DIRECTORS OF OUR COMPANY**

---

**Nupur Garg**

Chairperson and Independent Non-Executive Director

**DIN** 03414074

**Date:** February 10, 2022

**Place:** Delhi, India

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines 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, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct. .

## **SIGNED BY THE DIRECTORS OF OUR COMPANY**

---

**Raviganesh Venkataraman**

Executive Director and CEO

**DIN** 07336611

**Date:** February 10, 2022

**Place:** Bengaluru, India

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines 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, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE DIRECTORS OF OUR COMPANY**

---

**Dr. R Kishore Kumar**

Executive Director

**DIN** 02795844

**Date:** February 10, 2022

**Place:** Bengaluru, India

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines 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, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE DIRECTORS OF OUR COMPANY**

---

**Rohit M A**

Executive Director

**DIN:** 02501034

**Date:** February 10, 2022

**Place:** Bengaluru, India

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines 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, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE DIRECTORS OF OUR COMPANY**

---

**Bharat Singh**

Non-Executive Nominee Director

**DIN:** 08222884

**Date:** February 10, 2022

**Place:** Bengaluru, India



## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines 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, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE DIRECTORS OF OUR COMPANY**

---

**Nitin Agarwal**

Non-Executive Nominee Director

**DIN:** 09196679

**Date:** February 10, 2022

**Place:** Mumbai, India

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines 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, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE DIRECTORS OF OUR COMPANY**

---

**Satish Chander Subbanna**

Non- Executive Nominee Director

**DIN:** 02849420

**Date:** February 10, 2022

**Place:** Bengaluru, India

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines 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, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE DIRECTORS OF OUR COMPANY**

---

**Elizabeth Lucy Chapman**

Non- Executive Independent Director

**DIN:** 06459440

**Date:** February 10, 2022

**Place:** Bengaluru, India

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines 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, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE DIRECTORS OF OUR COMPANY**

---

**V.S Partharathy**

Non-Executive Independent Director

**DIN:** 00125299

**Date:** February 10, 2022

**Place:** Mumbai, India

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines 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, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

---

**Sandeep Bardia**

(Chief Financial Officer)

Place: Bengaluru, India

Date: February 10, 2022

## **DECLARATION**

I hereby confirm that all statements specifically made or confirmed by me and the undertakings specifically provided by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and my portion of the Offered Shares, is true and correct. I assume no responsibility for any other statements including statements, disclosures or undertakings made by or in relation to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

---

**Dr. R Kishore Kumar**

Executive Director

**Place:** Bengaluru, India

**Date:** February 10, 2022

## **DECLARATION**

Scripts N Scrolls India Private Limited hereby confirms that all statements specifically made or confirmed by it and the undertakings specifically provided by it in this Draft Red Herring Prospectus in relation to itself as a Selling Shareholder and its portion of the Offered Shares, are true and correct. Scripts N Scrolls India Private Limited assumes no responsibility for any other statements including statements, disclosures or undertakings made by or in relation to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**For and on behalf of Scripts N Scrolls India Private Limited**

---

M. Ramachandra  
Director  
Place: Bengaluru, India  
Date: February 10, 2022

## **DECLARATION**

We hereby confirm that all statements specifically made or confirmed by us and undertakings specifically provided by us in this Draft Red Herring Prospectus in relation to ourselves as a Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements including statements, disclosures or undertakings made by or in relation to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**For and on behalf of True North Fund V LLP**

---

Name: Satish Chandra Subbanna

Designation: Authorised Person

Place: Bengaluru, India

Date: February 10, 2022



## **DECLARATION**

We hereby confirm that all statements specifically made or confirmed by us and undertakings specifically provided by us in this Draft Red Herring Prospectus in relation to ourselves as a Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements including statements, disclosures or undertakings made by or in relation to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**For and on behalf of Indium V (Mauritius) Holdings Limited**

---

Mrs. Kamalam Pillay Rungapadiachy  
Director  
Place: Mauritius  
Date: February 10, 2022

## **DECLARATION**

We hereby confirm that all statements specifically made or confirmed by us and undertakings specifically provided by us in this Draft Red Herring Prospectus in relation to ourselves as a Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements including statements, disclosures or undertakings made by or in relation to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**For and on behalf of SCI Growth Investments II**

---

Sangeeta Bissessur  
Director  
Place: Mauritius  
Date: February 10, 2022