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AGILUS DIAGNOSTICS LIMITED

(FORMERLY, SRL LIMITED)

CORPORATE IDENTITY NUMBER: U74899PB1995PLC045956

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Fortis Hospital, Sector 62, Phase – VIII, Mohali - 160 062, Punjab, India	306, Tower-A, 3 <sup>rd</sup> Floor, Unitech Cyber Park, Sector-39, Gurugram - 122 002, Haryana, India	Trapti <i>Company Secretary and Compliance Officer</i>	<b>Email:</b> investors@agilus.in <b>Telephone:</b> 0124-6261111	www.agilusdiagnostics.com

NAME OF OUR PROMOTER: FORTIS HEALTHCARE LIMITED

DETAILS OF THE OFFER TO THE PUBLIC

TYPE OF OFFER	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND RESERVATION
Offer for Sale	Not applicable	Up to 14,233,964 Equity Shares aggregating up to ₹[●] million	Up to 14,233,964 Equity Shares aggregating up to ₹ [●] million	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”). For further details, see “Other Regulatory and Statutory Disclosures – Eligibility for the Offer” on page 378. For further details of share reservation among QIBs, NIBs and RIBs, see “Offer Structure” on page 399.

DETAILS OF THE OFFER FOR SALE BY THE SELLING SHAREHOLDERS AND WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE

NAME	TYPE	NUMBER OF EQUITY SHARES OFFERED (UP TO)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE*
International Finance Corporation	Selling Shareholder	2,985,075	201.00
NYLIM Jacob Ballas India Fund III LLC	Selling Shareholder	7,462,700	201.00
Resurgence PE Investments Limited	Selling Shareholder	3,786,189	188.26

\*Calculated on a fully diluted basis. As certified by N B T and Co, Chartered Accountants pursuant to their certificate dated September 29, 2023.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each. The Floor Price, Cap Price and Offer Price determined is on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, in consultation with the BRLMs and in accordance with applicable law and, as stated in the “Basis for the Offer Price” on page 105, 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 nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 36.

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. Each of the Selling Shareholders severally, and not jointly, accepts responsibility for and confirms the statements made or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus to the extent of information specifically pertaining to them and their respective portion of the Offered Shares, and assumes

responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. However, each of the Selling Shareholders, severally and not jointly, assume no responsibility for any other statement, including, inter-alia, any of the statements made by or relating to our Company or our business or any of the other Selling Shareholder in this Draft Red Herring Prospectus.

## LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”, and together with BSE, the “**Stock Exchanges**”). For the purposes of the Offer, [●] is the Designated Stock Exchange.

## BOOK RUNNING LEAD MANAGERS

	<b>ICICI Securities Limited</b>	<b>Contact person:</b> Sameer Purohit	<b>Telephone:</b> +91 22 6807 7100 <b>Email:</b> agilus.ipo@icicisecurities.com
	<b>Axis Capital Limited</b>	<b>Contact person:</b> Pavan Naik	<b>Telephone:</b> +91 22 4325 2183 <b>Email:</b> agilus.ipo@axiscap.in
	<b>Citigroup Global Markets India Private Limited</b>	<b>Contact person:</b> Huzefa Bodabhaiwala	<b>Telephone:</b> +91 22 6175 9999 <b>Email:</b> Agilus.IPO@citi.com

## REGISTRAR TO THE OFFER

<b>KFin Technologies Limited</b>	<b>Contact person:</b> M. Murali Krishna	<b>Telephone:</b> +91 40 6716 2222 <b>Email:</b> adl.ipo@kfintech.com
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## BID / OFFER PERIOD

<b>ANCHOR INVESTOR BIDDING DATE</b>	[●]*	<b>BID / OFFER OPENS ON<sup>#</sup></b>	[●]	<b>BID / OFFER CLOSSES ON<sup>#</sup></b>	[●]**
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\* Participation by Anchor Investors may be considered in consultation with the BRLMs and in accordance with applicable law. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid / Offer Opening Date.

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

# UPI mandate end time and date shall be at 5.00 p.m. on the Bid / Offer Closing Date.

## AGILUS DIAGNOSTICS LIMITED (FORMERLY, SRL LIMITED)

Our Company was originally incorporated as “Specialty-Ranbaxy Private Limited” in Delhi, a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated July 7, 1995 issued by the Registrar of Companies, N.C.T. of Delhi and Haryana at New Delhi. On March 30, 1996, our Company became a deemed public limited company and the endorsement to this effect was made on March 30, 1996, on the original certificate of incorporation dated July 7, 1995. The name of our Company was changed to “SRL Ranbaxy Limited”, pursuant to a special resolution dated June 3, 2002 and the certificate of incorporation dated December 13, 2002 issued by the Registrar of Companies, N.C.T. of Delhi and Haryana at New Delhi. Thereafter, the name of our Company was changed to “Super Religare Laboratories Limited” pursuant to a special resolution dated August 14, 2008, and the certificate of incorporation dated August 28, 2008 issued by the Registrar of Companies, N.C.T. of Delhi and Haryana at New Delhi. The name of our Company was further changed to “SRL Limited” pursuant to the special resolution dated June 28, 2012 and the certificate of incorporation dated July 6, 2012. Recently, the name of our Company was changed to its present name, “Agilus Diagnostics Limited”, pursuant to a special resolution dated May 21, 2023, and the fresh certificate of incorporation dated May 31, 2023, issued by the Registrar of Companies, Punjab and Chandigarh at Chandigarh (“RoC”). For further details in relation to the changes in the name and registered office of our Company, see “History and Certain Corporate Matters” on page 200.

**Corporate Identity Number:** U74899PB1995PLC045956; **Website:** www.agilusdiagnostics.com  
**Registered Office:** Fortis Hospital, Sector 62, Phase – VIII, Mohali -160 062, Punjab, India.  
**Corporate Office:** 306, Tower-A, 3<sup>rd</sup> Floor, Unitech Cyber Park, Sector-39, Gurugram-122 002, Haryana, India  
**Contact Person:** Trapti, Company Secretary and Compliance Officer; **Telephone:** 0124-6261111; **Email:** investors@agilus.in

### OUR PROMOTER: FORTIS HEALTHCARE LIMITED

**INITIAL PUBLIC OFFERING OF UP TO 14,233,964 EQUITY SHARES OF FACE VALUE OF ₹10 EACH (“EQUITY SHARES”) OF AGILUS DIAGNOSTICS LIMITED (“COMPANY”) FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) (“OFFER PRICE”) AGGREGATING UP TO ₹[●] MILLION (THE “OFFER”). THE OFFER COMPRISES OF AN OFFER FOR SALE OF UP TO 14,233,964 EQUITY SHARES (“OFFERED SHARES”) AGGREGATING UP TO ₹ [●] MILLION COMPRISING UP TO 2,985,075 EQUITY SHARES BY INTERNATIONAL FINANCE CORPORATION AGGREGATING UP TO ₹ [●] MILLION, UP TO 7,462,700 EQUITY SHARES BY NYLIM JACOB BALLAS INDIA FUND III L.L.C AGGREGATING UP TO ₹ [●] MILLION AND UP TO 3,786,189 EQUITY SHARES BY RESURGENCE PE INVESTMENTS LIMITED AGGREGATING UP TO ₹ [●] MILLION (TOGETHER, THE “SELLING SHAREHOLDERS”), AND SUCH OFFER FOR SALE OF EQUITY SHARES BY THE SELLING SHAREHOLDERS, THE “OFFER FOR SALE”). THE OFFER SHALL CONSTITUTE AT LEAST [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED IN ACCORDANCE WITH APPLICABLE LAW AND IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED 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 PUNJABI DAILY NEWSPAPER, PUNJABI BEING THE REGIONAL LANGUAGE OF PUNJAB WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID / OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED (“BSE”) AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”), AND TOGETHER WITH BSE, THE “STOCK EXCHANGES”) FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.**

In case of any revision in the Price Band, the Bid / Offer Period will be extended by at least three additional Working Days after such revision in 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 and our Promoter may, in consultation with the Selling Shareholders and BRLMs, 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, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the BRLMs and at the terminals of the Syndicate Members and by intimation to Designated Intermediaries and the Sponsor Bank(s), as applicable.

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. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Portion”), provided that up to 60% of the QIB Portion may be allocated to Anchor Investors and the basis of such allocation will be on a discretionary basis in consultation with the BRLMs, in accordance with applicable law (the “Anchor Investor Portion”), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors (“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 (other than the Anchor Investor Portion) (the “Net QIB Portion”). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders (“Non-Institutional Portion”) of which one-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of the Non-Institutional Portion may be allocated to Bidders in the other sub-category of the Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders (“Retail Portion”), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount (“ASBA”) process and shall provide details of their respective bank account (and UPI ID) (defined hereinafter) in case of UPI Bidders (defined hereinafter) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks (“SCSBs”) or pursuant to the UPI Mechanism, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see “Offer Procedure” on page 402.

### RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue by our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each. The Floor Price, Cap Price and Offer Price as determined in consultation with the BRLMs and in accordance with applicable law, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process in accordance with SEBI ICDR Regulations and, as stated in the “Basis for the Offer Price” on page 105, 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 active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 36.

### 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. Each of the Selling Shareholders severally, and not jointly, accepts responsibility for and confirms the statements made or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus to the extent of information specifically pertaining to them and their respective portion of the Offered Shares, and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. However, each of the Selling Shareholders, severally and not jointly, assume no responsibility for any other statement, including, inter-alia, any of the statements made by or relating to our Company or its business or any of the other Selling Shareholder 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. Our Company has received ‘in-principle’ approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes 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 Sections 26(4) and 32 of the Companies Act, 2013. For further details of the material contracts and documents that will be available for inspection from the date of the Red Herring Prospectus until the Bid / Offer Closing Date, see “Material Contracts and Documents for Inspection” on page 511.

### BOOK RUNNING LEAD MANAGERS

### REGISTRAR TO THE OFFER

			
<b>ICICI Securities Limited</b> ICICI Venture House Appasaheb Marathe Marg Prabhadevi, Mumbai - 400 025 Maharashtra, India <b>Telephone:</b> +91 22 6807 7100 <b>Email:</b> agilus.ipo@icicisecurities.com <b>Website:</b> www.icicisecurities.com <b>Investor grievance ID:</b> customercare@icicisecurities.com <b>Contact person:</b> Sameer Purohit <b>SEBI registration no:</b> INM000011179	<b>Axis Capital Limited</b> 1st Floor, Axis House C-2 Wadia International Centre Pandurang Budhkar Marg Worli, Mumbai - 400 025 Maharashtra, India <b>Telephone:</b> +91 22 4325 2183 <b>Email:</b> agilus.ipo@axiscap.in <b>Website:</b> www.axiscapital.co.in <b>Investor grievance ID:</b> complaints@axiscap.in <b>Contact person:</b> Pavan Naik <b>SEBI registration number:</b> INM000012029	<b>Citigroup Global Markets India Private Limited</b> 1202, 12 <sup>th</sup> Floor, First International Financial Centre G Block Bandra Kurla Complex, Bandra (East) Mumbai - 400 051, Maharashtra, India <b>Telephone:</b> +91 22 6175 9999 <b>Email:</b> Agilus.IPO@citi.com <b>Website:</b> www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm <b>Investor grievance ID:</b> investors.cgimib@citi.com <b>Contact person:</b> Huzefa Bodabhaiwala <b>SEBI registration number:</b> INM000010718	<b>KFin Technologies Limited</b> Selenium Tower B, Plot No. 31-32, Gachibowli Financial District, Nanakramguda, Serilingampally Hyderabad - 500 032, Telangana, India <b>Telephone:</b> +91 40 6716 2222 / 18003094001 <b>Email:</b> adl.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

### BID / OFFER PERIOD

<b>BID / OFFER OPENS ON*</b>	<b>[●]</b>	<b>BID / OFFER CLOSES ON#</b>	<b>[●]**</b>
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\* Participation by Anchor Investors may be considered in consultation with the BRLMs and in accordance with applicable law. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid / Offer Opening Date.

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

# UPI mandate end time and date shall be at 5.00 p.m. on the Bid / Offer Closing Date.

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## 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 legislation, act, regulation, rules, guidelines, circular, notification, direction, clarification or policy shall be to such legislation, act, regulation, rule guidelines, circular, notification, direction, clarification or policy as amended from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

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

*Notwithstanding the foregoing, terms defined in “Basis for the Offer Price”, “Statement of Possible Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies”, “Financial Information”, “Outstanding Litigation and Other Material Developments”, “Restrictions on Foreign Ownership of Indian Securities” and “Description of Equity Shares and Terms of the Articles of Association” on pages 105, 114, 121, 192, 241, 353, 422 and 424 respectively will have the meaning ascribed to such terms in those respective sections.*

#### General terms

Term	Description
Our Company / the Company / the Issuer	Agilus Diagnostics Limited (formerly, SRL Limited), a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at Fortis Hospital, Sector 62, Phase – VIII, Mohali, 160 062, Punjab, India.
We / us /our	Unless the context otherwise indicates or implies, our Company together with our Subsidiaries and Joint Venture on a consolidated basis, as applicable, on the respective dates.

#### Company and Selling Shareholder related terms

Term	Description
Agilus-Diagnostics FZ LLC SSPA	Share sale and purchase agreement dated June 30, 2016 entered into by and between Fortis Healthcare International Pte. Limited, Agilus Diagnostics FZ LLC and our Company.
Agilus Nepal JV Agreement	Joint venture agreement dated April 23, 2009 entered into by and between Life Care Services Private Limited and our Company read with the amendment to the joint venture agreement dated November 19, 2010, the addendum dated September 25, 2011 and the amendment to the addendum dated March 12, 2015.
AoA / Articles of Association / Articles	The articles of association of our Company, as amended from time to time.
Amendment Agreement	Amendment agreement dated March 30, 2021 to the 2012 Shareholders’ Agreement.
Audit Committee	Audit committee of our Board as described in “Our Management – Committees of our Board” on page 218.
Auditor / Statutory Auditors	The statutory auditor of our Company, being B S R & Co. LLP, Chartered Accountants.
Board / Board of Directors	The board of directors of our Company or any duly constituted committee thereof. For further details, see “Our Management – Board of Directors” on page 212.
Chairman and Independent Director	The chairman and independent director on the Board of our Company, namely Ravi Rajagopal. For further details, see “Our Management – Board of Directors” on page 212.
Chief Financial Officer / CFO	The chief financial officer of our Company, namely Mangesh Shirodkar. For further details, see “Our Management – Key Managerial Personnel” on page 229.
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely Trapti. For further details, see “Our Management – Key Managerial Personnel” on page 229.
Corporate Office	The corporate office of our Company, situated at 306, Tower-A, 3 <sup>rd</sup> Floor, Unitech Cyber Park, Sector-39, Gurugram-122 002, Haryana, India.
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board as described in “Our Management – Committees of our Board” on page 218.
CRISIL	CRISIL Limited

Term	Description
CRISIL Report	Industry report titled “Assessment of the diagnostics industry in India” dated September, 2023, which is exclusively prepared for the purpose of the Offer and issued by CRISIL MI&A and is commissioned by our Company and paid for by our Company on behalf of the Selling Shareholders. CRISIL was appointed pursuant to an engagement letter dated June 16, 2023. The CRISIL Report will be available on the website of our Company at <a href="https://agilusdiagnostics.com/investors/draft-red-herring-prospectus-and-related-documents">https://agilusdiagnostics.com/investors/draft-red-herring-prospectus-and-related-documents</a> until the Bid / Offer Closing Date.
CRISIL MI&A	CRISIL Market Intelligence & Analytics, a division of CRISIL Limited
DDRC Group	Elsy Joseph, Ajith Joy Kizhakkebhagathu and Joy Joseph Kizhakkebhagathu.
DDRC JV Agreement	Joint venture agreement dated January 23, 2012 between the DDRC Group and our Company.
DDRC JV Termination Agreement	Joint venture termination agreement dated April 5, 2021.
DDRC SPA	Share Purchase Agreement dated March 24, 2021 by and between DDRC Agilus Pathlabs Limited, certain individual sellers and our Company.
Director(s)	The director(s) on the Board of our Company, as appointed from time to time. For further details see “ <i>Our Management – Board of Directors</i> ” on page 212.
Equity Shares	The equity shares of our Company of face value of ₹ 10 each.
ESOP 2009	ESOP 2009 as described in “ <i>Capital Structure- Employee Stock Option Schemes of our Company</i> ” on page 95.
ESOP 2013	ESOP 2013 as described in “ <i>Capital Structure- Employee Stock Option Schemes of our Company</i> ” on page 95.
Executive Director	The managing director and chief executive officer of our Company, namely Anand Kuppuswamy. For further details see “ <i>Our Management – Board of Directors</i> ” on page 212.
Exit Agreement	Agreement dated June 12, 2012 by and between Resurgence, Spring Domestic, Spring Offshore, SCML, IFC, NJBIF and our Company.
Fortis Group Entities	Fortis Healthcare Limited and certain of its subsidiaries and joint venture involved in the hospital business.
Group Company(ies)	The company(ies) identified as ‘group companies’ in accordance with Regulation 2(1)(t) of the SEBI ICDR Regulations, as disclosed in the section “ <i>Group Companies</i> ” on page 236.
Group	Our Company and our Subsidiaries
Holding Company / Fortis	Fortis Healthcare Limited
IFC	International Finance Corporation
Independent Chartered Accountant	N B T and Co, Chartered Accountants
Independent Director(s)	The independent director(s) of our Company, namely, Ravi Rajagopal and Suvalaxmi Chakraborty appointed as per the Companies Act, 2013 and the SEBI Listing Regulations. For further details see “ <i>Our Management – Board of Directors</i> ” on page 212.
IPO Committee	The IPO committee of our Board of Directors, constituted pursuant to the Board resolution dated August 4, 2023.
Joint Venture	The joint venture of our Company namely, Agilus Diagnostics Nepal Private Limited.
KMP / Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as described in “ <i>Our Management – Key Managerial Personnel and Senior Management Personnel</i> ” on page 229.
Material Subsidiaries	The material subsidiaries of our Company, being Agilus Pathlabs Private Limited and DDRC Agilus Pathlabs Limited, in terms of the SEBI ICDR Regulations and SEBI Listing Regulations. For further details see “ <i>Our Holding Company, our Subsidiaries and our Joint Venture</i> ” on page 207.
Materiality Policy	The policy adopted by our Board pursuant to its resolution dated September 25, 2023, for identification of (a) material outstanding litigation proceedings; (b) material companies to be disclosed as group companies; and (c) material creditors, pursuant to the disclosure requirements under the SEBI ICDR Regulations, for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.
MoA / Memorandum of Association	The memorandum of association of our Company, as amended from time to time
NJBIF	NYLIM Jacob Ballas India Fund III LLC.
Non-Executive Director(s)	The non-executive, non-independent directors of our Company, namely, Dr. Ashutosh Raghuvanshi, Dilip Kadambi and Ashok Pandit. For further details, see “ <i>Our Management – Board of Directors</i> ” on page 212.

<b>Term</b>	<b>Description</b>
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board as described in “ <i>Our Management – Committees of our Board</i> ” on page 218.
Promoter	The promoter of our Company, namely Fortis Healthcare Limited. For further details see “ <i>Our Promoter and Promoter Group</i> ” on page 232.
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations as disclosed in “ <i>Our Promoter and Promoter Group</i> ” on page 232.
Registered Office	The registered office of our Company, situated at Fortis Hospital, Sector 62, Phase – VIII, Mohali, 160 062, Punjab, India.
Restated Consolidated Financial Information	The restated consolidated financial information of our Company, our subsidiaries and our joint ventures comprising the restated consolidated statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated statement of cash flows for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the summary of significant accounting policies and other explanatory information prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI, as amended from time to time.
Resurgence	Resurgence PE Investments Limited.
Risk Management Committee	The risk management committee of our Board as described in “ <i>Our Management – Committees of our Board</i> ” on page 218.
RoC / Registrar of Companies	The Registrar of Companies, Punjab and Chandigarh at Chandigarh.
SCML	Sabre Capital (Mauritius) Limited.
Selling Shareholder(s)	Collectively, International Finance Corporation, NYLIM Jacob Ballas India Fund III LLC and Resurgence PE Investments Limited.
Shareholders	The holders of the Equity Shares from time to time
Shareholders’ Agreement	The 2012 Shareholders’ Agreement read with the Amendment Agreement and the Waiver cum Amendment Agreement.
SMP / Senior Management Personnel	Senior management personnel of our Company in terms of Regulation 2(1)(bbb) of the SEBI ICDR Regulations and as described in “ <i>Our Management – Key Managerial Personnel and Senior Management Personnel</i> ” on page 229.
Spring Domestic	Spring Healthcare India Trust.
Spring Offshore	Spring Healthcare (P) Limited.
SSA	Share Subscription Agreement dated June 12, 2012 by and between International Finance Corporation, NYLIM Jacob Ballas India Fund III LLC, Avigo PE Investments Limited (now known as Resurgence PE Investments Limited), Spring Healthcare India Trust, Spring Healthcare (P) Limited, Sabre Capital (Mauritius) Limited, our Promoter and our Company.
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Board of Directors as described in “ <i>Our Management – Committees of our Board</i> ” on page 218.
Subsidiaries	The subsidiaries of our Company namely, Agilus Pathlabs Private Limited, DDRC Agilus Pathlabs Limited, Agilus Pathlabs Reach Limited and Agilus Diagnostics FZ LLC.
Termination Agreement	Termination agreement dated March 30, 2021 entered into by and between our Company, IFC, NJBIF, Resurgence and Fortis consequent to the transfer of equity shares of SCML, Spring Domestic and Spring Offshore in our Company and their cessation as shareholders of our Company.
Waiver cum Amendment Agreement	The waiver cum amendment agreement dated September 29, 2023 to the 2012 Shareholders’ Agreement read with the Amendment Agreement dated March 30, 2021 by and between IFC, NJBIF, Resurgence, our Promoter and our Company.
2012 Shareholders’ Agreement	Shareholders’ agreement dated June 12, 2012, by and between IFC, NJBIF, Resurgence, Spring Domestic, Spring Offshore, SCML, our Promoter and our Company.

#### Offer-related terms

<b>Term</b>	<b>Description</b>
Abridged Prospectus	The memorandum containing such salient features of a prospectus as may be specified by the SEBI in this regard.
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form.
Allot / Allotment / Allotted	Unless the context otherwise requires, transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders.

<b>Term</b>	<b>Description</b>
Allotment Advice	A note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom the Equity Shares are Allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, applying 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 ₹100.00 million.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Allocation Price will be decided in accordance with applicable law and in consultation with the BRLMs on the Anchor Investor Bidding Date.
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 day, being one Working Day prior to the Bid / Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which BRLMs will not accept any Bids from Anchor Investors, and allocation to 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 price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided in accordance with applicable law and in consultation with the BRLMs.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid / Offer Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated to Anchor Investors on a discretionary basis, in consultation with the BRLMs and in accordance with applicable law.  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 accordance with the SEBI ICDR Regulations.
Applications Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB or to block the Bid Amount using the UPI Mechanism.
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form, which may be blocked by such SCSB or the account of the UPI Bidders blocked upon acceptance of UPI Mandate Request by the UPI Bidders to the extent of the Bid Amount of the ASBA Bidder.
ASBA Bidders	All Bidders except Anchor Investors.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders 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 our Company	Axis Bank Limited and DBS Bank India Limited
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank(s) and Public Offer Account Bank(s).
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in "Offer Procedure" on page 402.
Bid(s)	An indication to make an offer during the Bid / Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations, 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 Bidders Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer, as applicable.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.



<b>Term</b>	<b>Description</b>
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid / Offer Closing Date	<p>Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, 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 [●] editions of [●] (a widely circulated Punjabi daily newspaper, Punjabi being the regional language of Punjab where our Registered Office is located). In case of any revisions, the extended Bid / Offer Closing Date shall also be notified on the website of the BRLMs and terminals of the Syndicate Members, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank(s) and shall also be notified in an advertisement in the same newspapers in which the Bid / Offer Opening Date was published, as required under the SEBI ICDR Regulations.</p> <p>Our Company and our Promoter in consultation with the Selling Shareholders and BRLMs may consider closing the Bid / Offer Period for QIBs one Working Day prior to the Bid / Offer Closing Date in accordance with the SEBI ICDR Regulations.</p>
Bid / Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, 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 [●] editions of [●] (a widely circulated Punjabi daily newspaper, Punjabi being the regional language of Punjab where our Registered Office is located).
Bid / Offer Period	<p>Except in relation to Anchor Investors, the period between the Bid / Offer Opening Date and the Bid / Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and in accordance with the terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.</p> <p>Our Company and our Promoter, may in consultation with the Selling Shareholders and BRLMs, 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.</p>
Bidder/Applicant	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 at the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	Book building process, as provided in 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 namely I-Sec, Axis and Citi.
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders 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 Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time.
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on / after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band i.e., ₹ [●] per Equity Share, subject to any revisions thereof, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall not be more than 120% of the Floor Price, provided that the Cap Price shall be at least 105% of the Floor Price.
Citi	Citigroup Global Markets India Private Limited
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant(s) / CDP	A depository participant as defined under the Depositories Act, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and the UPI Circulars issued by SEBI, and as per the list available on the websites of BSE and NSE, as updated from time to time.
Cut-off Price	Offer Price, finalised in accordance with applicable law and in consultation with the BRLMs, which shall be any price within the Price Band.

<b>Term</b>	<b>Description</b>
	Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs, including Anchor Investors, and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father / husband, investor status, occupation and bank account details and UPI ID, where applicable.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ) as updated from time to time.
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as appropriate, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange in terms of the Red Herring Prospectus, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer.
Designated Intermediaries	In relation to ASBA Forms submitted by RIBs and Non-Institutional Bidders Bidding with an application size of up to ₹ 0.50 million (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.  In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate / agents, Registered Brokers, CDPs, SCSBs and RTAs.  In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders with an application size of more than ₹ 0.50 million (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, Sub-Syndicate / agents, SCSBs, Registered Brokers, the CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs.  The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ).
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="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://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 / DRHP	This draft red herring prospectus dated September 29, 2023, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto.
Eligible FPIs	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby.
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares.
Escrow Account(s)	The 'no-lien' and 'non-interest bearing' account(s) opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit / NEFT / RTGS / NACH in respect of the Bid Amount when submitting a Bid.
Escrow and Sponsor Banks Agreement	Agreement dated [●] to be entered into by our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, and the Banker(s) to the Offer for, among other things, the appointment of the Escrow and Sponsor Bank(s), the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof.
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account(s) will be opened, in this case being [●].

<b>Term</b>	<b>Description</b>
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band i.e., ₹ [●] per Equity Share, subject to any revision(s) thereto, not being less than the face value of the Equity Shares at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, and the UPI Circulars, as amended 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.
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> or such other website as may be updated from time to time, which may be used by UPI Bidders to submit Bids using the UPI Mechanism as provided under 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	Up to 5% of the Net QIB 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.
Net Proceeds	The proceeds from the Offer less the Offer related expenses.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Bidders / NIBs	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 Bidders (and who have Bid for Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares, available for allocation to Non-Institutional Bidders, of which one-third shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders subject to valid Bids being received at or above the Offer Price.
Non-Resident / NR	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
Offer / Offer for Sale	<p>The initial public offering of up to 14,233,964 Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million comprising of an offer for sale of up to 14,233,964 Equity Shares aggregating up to ₹ [●] million, by the Selling Shareholders.</p> <p>The initiation of the Offer process and other related matters were approved, by the board of directors and the shareholders of our Promoter (by resolutions dated August 4, 2023 and September 7, 2023, respectively), with the actual timing and implementation of the Offer itself being subject to determination by the respective boards of the Promoter and our Company, after considering the prevailing market conditions and other relevant factors.</p>
Offer Agreement	The agreement dated September 29, 2023, amongst our Company, the Selling Shareholders and the BRLMs, pursuant to the requirements of the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer.
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders, in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. The Offer Price will be decided in accordance with applicable law and in consultation with the BRLMs on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus.
Offer Proceeds	The proceeds of the Offer which shall be available to the Selling Shareholders. For further details, see "Objects of the Offer" on page 102.
Offered Shares	Up to 14,233,964 Equity Shares aggregating up to ₹ [●] million being offered by the Selling Shareholders as part of the Offer for Sale, comprising up to 2,985,075 Equity

Term	Description
	Shares aggregating up to ₹[●] million by IFC, up to 7,462,700 Equity Shares aggregating up to ₹[●] million by NJBIF and up to 3,786,189 Equity Shares aggregating up to ₹[●] million by Resurgence.
Price Band	Price band ranging from a minimum price of ₹ [●] per Equity Share (Floor Price) to the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided in accordance with applicable law and in consultation with the BRLMs, and will be advertised 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 Punjabi daily newspaper, Punjabi being the regional language of Punjab, where our Registered Office is located) 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 respective websites.
Pricing Date	The date on which the Offer Price is finalised in accordance with applicable law and in consultation with the BRLMs
Promoter's Contribution	Aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company that is eligible to form part of the minimum promoter's contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoter, which shall be locked-in for a period of 18 months from the date of Allotment.
Prospectus	The prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price that is determined in accordance with the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account(s)	The 'no-lien' and 'non-interest bearing' accounts to be opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date.
Public Offer Account Bank(s)	The banks with which the Public Offer Account(s) is opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●].
Qualified Institutional Buyers / QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIB Bidders	QIBs who Bid in the Offer.
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer or [●] Equity Shares, available for allocation to QIBs (including Anchor Investors) on a proportionate basis (in which allocation to Anchor Investors shall be on a discretionary basis in accordance with applicable law and in consultation with the BRLMs up to a limit of 60% of the QIB Portion), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors).
Red Herring Prospectus / RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid / Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made.
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●].
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI.
Registrar Agreement	The agreement dated September 29, 2023, amongst 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 and Share Transfer Agents / RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI and in terms of the UPI Circulars.
Registrar to the Offer / Registrar	Kfin Technologies Limited.
Resident Indian	A person resident in India, as defined under FEMA.
Retail Individual Bidder(s) / RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).

<b>Term</b>	<b>Description</b>
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders as per the SEBI ICDR Regulations, which shall not be less than the minimum Bid Lot, subject to valid Bids being received at or above the Offer Price.
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable.  QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid / Offer Period and withdraw their Bids until Bid / Offer Closing Date.
Self-Certified Syndicate Bank(s) / SCSB(s)	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> and <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 may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> , or such other website as may be prescribed by SEBI from time to time  In relation to Bids (other than Bids by Anchor Investor) 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 ( <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> ) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <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 updated from time to time.  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, UPI Bidders Bidding may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <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> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> ) respectively, as updated from time to time.
Share Escrow Agent	Escrow agent to be appointed pursuant to the Share Escrow Agreement, namely [●].
Share Escrow Agreement	Agreement dated [●] to be entered into amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale 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 ASBA Forms from Bidders, 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(s)	The Banker(s) to the Offer registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and/or payment instructions of the UPI Bidders and carry out any other responsibilities in terms of the UPI Circulars, in this case being [●].
Stock Exchanges	Collectively, BSE and NSE.
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate / Members of the Syndicate	Together, the BRLMs and the Syndicate Members.
Syndicate Agreement	Agreement dated [●] to be entered into amongst our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar in relation to collection of Bid cum Application Forms by Syndicate.
Syndicate Members	Intermediaries (other than the BRLMs) registered with SEBI who are permitted to accept Bids, applications and place order with respect to the Offer and carry out activities as underwriters, in this case being [●].

<b>Term</b>	<b>Description</b>
Systemically Important Non-Banking Financial Company / NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
T+3 Circular	SEBI circular number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.
Underwriters	[●]
Underwriting Agreement	Agreement dated [●] to be entered into among the Underwriters, our Company and the Selling Shareholders on or after the Pricing Date, but prior to filing of the Prospectus with the RoC.
UPI	Unified Payments Interface, which is an instant payment mechanism developed by NPCI
UPI Bidder	Collectively, individual investors applying as (i) Retail Individual Bidders, in the Retail Portion; and (ii) Non-Institutional Bidders with an application size of up to ₹500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.  Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL-2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI Mobile App and by way of a SMS directing the UPI Bidder to such UPI Mobile App) to the RIB initiated by the Sponsor Bank(s) to authorise blocking of funds in the relevant ASBA Account through the UPI Mobile App equivalent to the Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The mechanism that may be used by a UPI Bidder to make a Bid in the Offer in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
WACA	Weighted average cost of acquisition.
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(III) of SEBI ICDR Regulations.
Working Day	All days on which commercial banks in Mumbai, Maharashtra are open for business; provided, however, with reference to (a) announcement of Price Band; and (b) Bid / Offer Period, the expression “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai, Maharashtra, India are open for business; (c) the time period between the Bid / Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, the expression “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays in India, as per the circulars issued by SEBI.

### Conventional and general terms and abbreviations

<b>Term</b>	<b>Description</b>
Adjusted EBITDA	Restated profit for the year plus tax expenses, finance costs, depreciation and amortization expense and exceptional items.
Adjusted EBITDA Margin	Percentage of Adjusted EBITDA divided by revenue from operations
AGM	Annual General Meeting
AI	Artificial Intelligence
AIF(s)	Alternative Investment Funds as defined in and registered under the SEBI AIF Regulations
Air Act	Air (Prevention and Control of Pollution) Act, 1981.
Bn / bn	Billion
BSE	BSE Limited
CAGR	Compound Annual Growth Rate, which is computed by dividing the value as at the year-end by its value at the beginning of that period, raise the result to the power of one divided by the period length, and subtract one from the subsequent result ((End Value / Start Value) ^ (1 / Periods) – 1)
Calendar Year or year	Unless the context otherwise requires, shall refer to the twelve month period ending December 31
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	The erstwhile Companies Act, 1956, along with the relevant rules made thereunder
Companies Act / Companies Act, 2013	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder.
COVID – 19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CPC	The Code of Civil Procedure, 1908.
CrPC	The Code of Criminal Procedure, 1973.
CSR	Corporate social responsibility
Depositories	NSDL and CDSL, collectively
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant’s identity number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.
EBITDA	Restated profit for the year plus tax expenses, finance costs, depreciation and amortization expense
EBITDA Margin	Percentage of EBITDA divided by revenue from operations
EGM	Extraordinary general meeting
EPS	Earnings per share
Euro	Euro, the official currency of the European Union
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FDI Policy	The consolidated foreign direct policy bearing DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, and effective from October 15, 2020, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Non-debt Instruments Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal / Fiscal Year	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
FIR	First information report
FPIs	Foreign Portfolio Investors, as defined under SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product

Term	Description
GoI / Government / Central Government	Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
IFSC	Indian Financial System Code
Income Tax Act/ IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.
Ind AS 24	Indian Accounting Standard 24, "Related Party Disclosures", notified by the MCA under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013.
Ind AS 37	Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets", notified by the MCA under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013.
IGAAP / Indian GAAP	Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2021, as amended and the Companies (Accounts) Rules, 2014, as amended.
IPO	Initial public offer
INR / Rupee / ₹ / Rs.	Indian Rupee, the official currency of the Republic of India
IRDAI	Insurance Regulatory and Development Authority of India
ISIN	International Securities Identification Number
IT	Information Technology
IT Act	The Income Tax Act, 1961
KYC	Know Your Customer
MCA	The Ministry of Corporate Affairs, Government of India
MCLR	Marginal Cost of Funds Based Lending Rate
Mn / mn	Million
MoU	Memorandum of Understanding
MSMEs	Small scale undertakings as per the Micro, Small and Medium Enterprises Development Act, 2006
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A./NA	Not applicable
N.C.T.	National Capital Territory
NACH	National Automated Clearing House
Net Asset Value per Equity Share	Net worth divided by weighted average number of Equity Shares
NBFC	Non-Banking Financial Company
NEFT	National Electronic Fund Transfer
Net Worth	Aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or 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 the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Further, capital reserve have been excluded when computing net worth since these were not created out of the profits
No.	Number
NPCI	National Payments Corporation of India
NR / Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
NRI / Non-Resident Indian	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas corporate body, a company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
OCI	Overseas Citizen of India
PAN	Permanent account number
PAT	Restated profit for the year.



Term	Description
PAT Margin	Percentage of restated profit for the year divided by revenue from operations
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Return on Capital Employed	Percentage of EBIT (i.e., calculated as restated profit for the year before tax and finance costs) divided by capital employed (i.e., total equity plus total borrowings, lease liabilities, deferred tax liabilities excluding goodwill and other intangible assets)
Return on Equity	Restated profit for the year divided by average equity
RTGS	Real Time Gross Settlement
SCORES	Securities and Exchange Board of India Complaints Redress System, a centralized web based complaints redressal system launched by SEBI
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
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 Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
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, 1999
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Sr.	Serial
STT	Securities Transaction Tax
Trademarks Act	Trademarks Act, 1999
US\$ / USD / US Dollar	United States Dollar, the official currency of the United States of America
USA / U.S. / US	United States of America and its territories and possessions, including any state of the United States
US GAAP	Generally Accepted Accounting Principles in the United State of America
U.S. Securities Act	The United States Securities Act of 1933, as amended
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the <i>erstwhile</i> Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
Water Act	Water (Prevention and Control of Pollution) Act, 1974.

#### Business, technical and industry-related terms

Term	Description
2020 Tokyo Olympic games	The 2020 summer Olympics, an international multi-sport event held from July 23, 2021 to August 8, 2021 in Tokyo, Japan
2024 Paris Olympic games	The 2024 summer Olympics an international multi-sport event to be held from July 26, 2024 to August 11, 2024, Paris
ABDM	Ayushman Bharat Digital Mission
Average revenue per test / ARPT	This metric helps our Company to track the revenue it generates per test over multiple periods
B2B	Business-to-Business
B2C	Business-to-Consumer
CAP	College of American Pathologists
CoE	Center of Excellence
CT	Computed Tomography
CTP	Customer Touch Points. The CTPs tracks the number of collection centers and patient service centers over multiple periods

<b>Term</b>	<b>Description</b>
Customer touch points (CTP) per laboratory	This ratio helps in tracking the number of customer touch points serviced by one clinical laboratory over multiple periods
GRL	Global Reference Laboratory
H1N1	A strain of influenza, often called swine flu
ICMR	Indian Council of Medical Research
Indian Olympic Association	The Indian Olympic Association is the body responsible for selecting athletes to represent India at international athletic meets and for managing the Indian teams at these events
IMD	India Metrological Department
MRI	Magnetic Resonance Imaging
NABL	National Accreditation Board for Testing and Calibration Laboratories
NCD	Non-Communicable Diseases
Net debt / Equity	(Total borrowings less cash & cash equivalents) / Total equity
Next Generation Sequencing	Technology for determining the sequence of deoxyribonucleic acid and ribonucleic acid to study genetic variation associated with diseases or other biological phenomena
NHM	National Health Mission
NTEP	National Tuberculosis Elimination Programme
Number of laboratories	Analysis of the number of clinical laboratories periodically helps in understanding the operational strength of our Company and how it varies over multiple periods
Number of patients served	Analysis of the number of patients served over multiple periods helps in tracking the customer base of our Company - thereby modifying the business strategies accordingly
Number of tests performed	Analysis of the number of tests performed over multiple periods helps in understanding the trends in the diagnostic industry and the areas which need more focus
Number of tests per patient visit	This ratio helps in tracking the number of tests done for every patient over multiple periods
PFCE	Private Final Consumption Expenditure
PPP	Public-Private Partnership
R&D	Research and Development
Restated profit for the year	It measures profit generated by our Company after deducting all the expenses, finance cost, taxes etc
Revenue from operations	Revenue from operations primarily comprises of medical testing charges and other operating revenues. Medical testing charges consists of fees received for various tests conducted in the fields of pathology and radiology
Revenue per accession	This metric helps our Company to track the revenue it generates per accession (patient) over multiple periods
Revenue generated from routine tests as a % of total revenue	This metric helps in understanding the routine test revenue as % of total revenue, to understand the trends in the routine test segment
Revenue generated from specialized tests as a % of total revenue	This metric helps in understanding the specialized test revenue as % of total revenue, to understand the trends in the specialized test segment
Revenue generated from wellness packages as a % of total revenue	This metric helps in understanding the wellness packages revenue as % of total revenue, to understand the trends in the prevention and wellness segment.
RRL	Regional Reference Laboratory
RT-PCR	Reverse transcription polymerase chain reaction
Sanger Sequencing Based Assays	Method that yields information about the identity and order of the four nucleotide bases in a segment of deoxyribonucleic acid and acts as an effective approach for variant screening studies
TAT	Turn-Around Time
Working capital days	Working capital days is calculated as inventory days plus debtor days minus payable days
WCDL	Working capital demand loan

## **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 and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable. All references herein to the “US”, the “U.S.”, the “USA”, or the “United States” are to the United States of America and its territories and possessions, all references to “U.K.”, or “United Kingdom” are to the United Kingdom of Great Britain and Northern Ireland, all references to the “UAE” are to the United Arab Emirates and its territories and possessions.

Unless indicated otherwise, 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 information and financial ratios in this Draft Red Herring Prospectus are derived from the Restated Consolidated Financial Information. For further information, see “*Financial Information*” on page 241.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Fiscal/Fiscal Year are to the year ended on March 31, of that calendar year.

The Restated Consolidated Financial Information of our Company, our subsidiaries and our joint ventures comprising the restated consolidated statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated statement of cash flows for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the summary of significant accounting policies and other explanatory information prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI, as amended from time to time.

There are significant differences between Ind AS, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited. For risks relating to significant differences between Ind AS and other accounting principles, see “*Risk Factors – External Risk Factors - Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors’ assessment of our financial condition.*” on page 64.

Unless the context otherwise indicates, any percentage amounts or ratios (excluding certain operational metrics), relating to the financial information of our Company in this Draft Red Herring Prospectus have been calculated on the basis of our Restated Consolidated Financial Information, as applicable.

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

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

### **Non-GAAP measures**

Certain non-GAAP measures and other operating metrics such as EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, PAT Margin, Return on Equity, Return on Capital Employed, Net Worth and Net Asset Value per Equity Share presented in this Draft Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, US GAAP, or IFRS. Further, these Non-GAAP Measures and other operating matrices are not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit for the year 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, IFRS or US GAAP. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures and other operating matrices between companies may not be possible. Other companies may calculate the Non-GAAP Measures and other operating matrices differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures and other operating matrices are 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.

### **Industry and market data**

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained and derived from a report titled "Assessment of the diagnostics industry in India" (the "**CRISIL Report**") dated September 2023 and prepared by CRISIL MI&A exclusively for the purpose of understanding the industry our Company operates in, in connection with the Offer. The CRISIL Report is available on the website of our Company at <https://agilusdiagnostics.com/investors/draft-red-herring-prospectus-and-related-documents> and at our Registered Office, from the date of the Red Herring Prospectus until the Bid / Offer Closing Date. The Report has been exclusively commissioned at the request of our Company and paid for by our Company on behalf of the Selling Shareholders for the purposes of this Offer. The CRISIL Report is subject to the following disclaimer:

"CRISIL MI&A, 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). 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. 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. Agilus Diagnostics Limited (formerly, SRL Limited) will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A 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 MI&A 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."

The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Given the scope and extent of the CRISIL Report, disclosures are limited to certain excerpts and the CRISIL Report has not been reproduced in its entirety in this Draft Red Herring Prospectus. 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 may also base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful and depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodology in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – Internal Risks - Certain sections of this Draft Red Herring Prospectus disclose information from the CRISIL Report which has been prepared exclusively for the Offer and commissioned by our Company and paid for by our Company on behalf of the Selling Shareholders exclusively in connection with the Offer, and any reliance on such information for making an*

*investment decision in the Offer is subject to inherent risks.*” on page 61. Further, neither our Company, nor our Promoter, Directors, Key Managerial Personnel, Senior Management Personnel, Subsidiaries, Joint Venture nor the BRLMs appointed in relation to the Offer are “related parties” as defined under Section 2(76) of the Companies Act, 2013, of CRISIL.

In accordance with the SEBI ICDR Regulations, the section “*Basis for the Offer Price*” on page 105 includes information relating to our peer group companies.

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

All references to:

‘Rupees’ or ‘₹’ or ‘Rs.’ or INR are to Indian Rupees, the official currency of the Republic of India, ‘U.S.\$’, ‘U.S. Dollar’, ‘USD’ or ‘U.S. Dollars’ are to United States Dollars, the official currency of the United States of America, ‘Euro’ are to Euro, the official currency of the European Union, ‘AED’ are to United Arab Emirates Dirham, the official currency of the United Arab Emirates, ‘NPR’ or ‘Nepalese Rupees’ are to Nepalese Rupees, the official currency of the Federal Democratic Republic of Nepal.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. Except otherwise stated, all figures have been expressed in millions. One million represents ‘10 lakhs’ or 1,000,000. One billion represents 10,000 lakhs’ or 1,000,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

### **Time**

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

### **Exchange rates**

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

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 <span style="float: right;">(in ₹)</span>		
	March 31, 2021	March 31, 2022	March 31, 2023
1 USD	73.50	75.81	82.22
1 AED	19.94	20.55	22.36
1 NPR	0.62	0.61	0.62

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

Note: The exchange rate is rounded off to two decimal places.

## FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical fact and may be described as “forward-looking statements”. These forward looking statements include statements which can generally be identified by words or phrases such as “aim”, “anticipate”, “are likely”, “believe”, “continue”, “can”, “shall”, “could”, “expect”, “estimate”, “intend”, “may”, “likely”, “objective”, “plan”, “project”, “propose”, “seek to”, “will”, “will achieve”, “will continue”, “will likely”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. These forward-looking statements include statements as to our business strategy, plans, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Red Herring Prospectus that are not historical facts. 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. This could be due to risks or uncertainties associated with expectations relating to, and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, changes in the incidence of any natural calamities and/or violence, regulations and taxes and changes in competition in the industries in which we operate. Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

No.	Category	Factors
1.	Brand risk	We recently changed our brand which led to certain legal proceedings that are currently pending before the Delhi High Court. Any unfavorable outcome may have an adverse effect on our business, reputation, results of operations and financial condition.
2.	Brand risk	Any failure to establish our new brand may adversely affect customer confidence in our services or our inability to maintain and enhance our brand and reputation or any negative publicity and allegations, may have an adverse impact on our business, reputation, results of operations and financial condition.
3.	Brand risk	Our trade mark applications in relation to our new brand, “Agilus Diagnostics” and “Agilus” are not yet registered, and some have been objected/opposed by other parties. Any inability to obtain registration or otherwise protect our intellectual property rights, or any exposure to misappropriation and infringement claims by third parties, could have an adverse effect on our business, reputation, financial condition and results of operations.
4.	Legal and regulatory risk	Our Promoter, Fortis Healthcare Limited, is subject to certain regulatory and statutory proceedings, including an appeal pending before the Securities Appellate Tribunal and an ongoing investigation by the Serious Fraud Investigation Office for certain alleged improper transactions and non-compliance with applicable laws and regulations including the Companies Act. Any prolonged proceedings or adverse outcome of such proceedings in the future may have an adverse impact on our business and reputation.
5.	Business risk	We have entered into a master service agreement with our Promoter and certain other letters/agreements with our Promoter and its affiliates in respect of providing certain laboratory management services to them and are dependent on them for a portion of our revenues. Any non-performance, non-renewal/ revision, substantial change in the agreed rates or termination of such agreements may adversely affect our business, results of operations and financial condition.
6.	Business risk	Any interruption at our laboratories including our global reference laboratory and regional reference laboratories, customer touch points and pick-up points may affect our ability to process diagnostics tests, which in turn may adversely affect our business, results of operations and financial condition.
7.	Business risk	Any inadequacy or delay in collection and transportation of specimens to our laboratories could compromise the integrity of such specimens, which in turn could adversely affect our business, results of operations and financial condition.
8.	Business risk	Failure to introduce new tests and services could adversely affect our business, results of operations and financial condition.
9.	Business risk	We depend on third parties for our testing equipment and reagents. Any discontinuation or recall of existing testing equipment and/or reagents as well as the failure or malfunction of any of our equipment or termination of relevant agreements could adversely affect our business, results of operations and financial condition.

No.	Category	Factors
10.	Legal and regulatory risk	There are outstanding litigation against our Company, Promoter, Directors, Group Companies and Subsidiaries. An adverse outcome in any of these proceedings may affect our reputation and standing and impact our future business and could have a material adverse effect on our business, results of operations, financial condition and cash flows.

For a further discussion of factors that could cause our actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 36, 170, and 316, respectively.

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.

Forward-looking statements reflect current views as on 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 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. Neither our Company, Promoter, our Directors, the Selling Shareholders, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Shares from the date of the Red Herring Prospectus until the date of Allotment. In accordance with the requirements of SEBI and as prescribed under applicable law, each of the Selling Shareholders shall ensure that investors in India are informed of material developments in relation to the statements and undertakings specifically undertaken or confirmed by them in the Red Herring Prospectus until the date of Allotment. Only statements and undertakings which are specifically confirmed or undertaken by each Selling Shareholder in relation to themselves as a Selling Shareholder and their respective portion of the Offered Shares, as the case may be, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholder.

## SECTION II – 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 “*Risk Factors*”, “*The Offer*”, “*Capital Structure*”, “*Objects of the Offer*”, “*Industry Overview*”, “*Our Business*”, “*Our Promoter and Promoter Group*”, “*Restated Consolidated Financial Information*”, “*Management’s Discussions and Analysis of Financial Position and Results of Operations*”, “*Outstanding Litigation and Other Material Developments*” and “*Offer Structure*” on pages 36, 69, 84, 102, 121, 170, 232, 241, 316, 353 and 399 respectively of this Draft Red Herring Prospectus.

### Primary business of our Company

We are the largest diagnostics service provider in terms of number of laboratories and the second largest in terms of revenue from operations in India as of and for the financial year ended March 31, 2023 (Source: CRISIL Report). We have a diversified pan-India presence and offer diagnostics testing services (routine and specialized tests), wellness and preventive care packages, hospital laboratory management services and clinical research trial testing services. As of March 31, 2023, we had a network of 413 laboratories out of which three laboratories are situated outside India and 43 laboratories were NABL accredited.

For further information, see “*Our Business*” on page 170.

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

The Indian diagnostics services industry is expected to grow at a CAGR of 8-10% between Fiscals 2023 and 2028 to reach ₹1,150-₹1,250 billion in Fiscal 2028. COVID-19 has altered customer preferences, including expectations in relation to convenience and quicker turn-around time. While standalone players contributed 42-46% of the total diagnostics industry in Fiscal 2023, diagnostic chains possess better accreditations and cater to a larger set of population through their brand reputation and operational efficiency, which have led to an increase in their share from 13-17% to 16-20% of the overall diagnostics industry between Fiscals 2020 and 2023. (Source: CRISIL Report)

For further information, see “*Industry Overview*” on page 121.

### Name of Promoter

As on the date of this Draft Red Herring Prospectus, our Promoter is Fortis Healthcare Limited. For further details, see “*Our Promoter and Promoter Group*” on page 232.

### Offer size

The Offer comprises an Offer for Sale of up to 14,233,964 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. The details of the Equity Shares offered by each Selling Shareholder pursuant to the Offer are set forth below:

Name of the Selling Shareholder	Maximum number of Offered Shares <sup>(1)(2)(3)</sup>	Date of consent letter
International Finance Corporation	Up to 2,985,075	September 29, 2023
NYLIM Jacob Ballas India Fund III LLC	Up to 7,462,700	September 29, 2023
Resurgence PE Investments Limited	Up to 3,786,189	September 29, 2023

Notes:

- <sup>(1)</sup> The Offer has been authorized by a resolution of our Board dated August 4, 2023. Further, our IPO Committee has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated September 29, 2023.
- <sup>(2)</sup> 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 filing this Draft Red Herring Prospectus with SEBI and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For further details, see “*Other Regulatory and Statutory Disclosures- Eligibility for the Offer*” on page 378.
- <sup>(3)</sup> Each Selling Shareholder has, severally and not jointly, specifically confirmed its respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. The Selling Shareholders have authorized the sale of their respective portion of the Offered Shares. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see “*The Offer*” and “*Other Regulatory and Statutory Disclosures-Authority for the Offer*” on pages 69 and 378 respectively.



The Offer shall constitute [●]% of the post-Offer paid up Equity Share capital of our Company. For further details of the offer, see “*The Offer*” and “*Offer Structure*” on pages 69 and 399, respectively.

### Objects of the Offer

The Selling Shareholders will be entitled to the entire proceeds of the Offer after deducting their respective portions of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer. The objects of the Offer are to (i) achieve the benefits of listing the Equity Shares on the Stock Exchanges; and (ii) carry out the Offer for Sale of up to 14,233,964 Equity Shares by the Selling Shareholders to meet the obligations to provide an exit to such Selling Shareholders by our Company and our Promoter under the 2012 Shareholders’ Agreement read with the Amendment Agreement. Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image. For further details, see “*Objects of the Offer*” on page 102.

### Aggregate pre-Offer Shareholding of our Promoter, members of our Promoter Group and Selling Shareholders

The aggregate pre-Offer shareholding of our Promoter and Selling Shareholders, as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:

S. No.	Name of Shareholder	Pre-Offer	
		No. of Equity Shares	% of total pre-Offer paid up Equity Share capital (%)
<b>Promoter</b>			
1.	Fortis Healthcare Limited	45,236,779	57.68
<b>Total (A)</b>		<b>45,236,779</b>	<b>57.68</b>
<b>Selling Shareholders</b>			
1.	International Finance Corporation	5,970,149	7.61
2.	NYLIM Jacob Ballas India Fund III LLC	12,437,811	15.86
3.	Resurgence PE Investments Limited	6,310,315	8.05
<b>Total (B)</b>		<b>24,718,275</b>	<b>31.52</b>
<b>Total (C) = (A)+(B)</b>		<b>69,955,054</b>	<b>89.20</b>

As on the date of this Draft Red Herring Prospectus, none of the members of our Promoter Group hold any Equity Shares. For further details, see “*Capital Structure*” on page 84.

### Summary of select financial information derived from the Restated Consolidated Financial Information

The following information has been derived from our Restated Consolidated Financial Information for the financial years ended March 31, 2021, March 31, 2022, and March 31, 2023:

(₹ in million, except per share data)

Particulars	As at and for the Fiscal ended		
	March 31, 2021	March 31, 2022	March 31, 2023
Equity share capital	784.26	784.26	784.26
Borrowings (Current)(A)	2.83	6.39	9.33
Borrowings (Non - Current)(B)	9.70	16.12	18.96
Total Borrowings(C=A+B) <sup>(1)</sup>	12.53	22.51	28.29
Revenue from operations <sup>(2)</sup>	10,350.73	16,049.11	13,474.62
Restated profit for the year	1,312.45	5,547.08	1,166.36
Earnings per equity share (basic) <sup>(3)</sup>	16.74	70.73	14.87
Earnings per equity share (diluted) <sup>(4)</sup>	16.62	70.21	14.76
Net Worth <sup>(5)</sup>	11,695.71	17,243.43	18,037.66
Net Asset Value per Equity Share <sup>(6)</sup>	149.13	219.87	230.00

Notes:

- Total Borrowings is mainly unsecured loan from related party and vehicle loans.
- Revenue from operations primarily comprises of medical testing charges and other operating revenues. Medical testing charges consists of fees received for various tests conducted in the fields of pathology and radiology.
- Earnings per equity share (Basic) = Restated profit for the year attributable to owners of the Company/Weighted average number of equity shares for the purpose of basic earnings per share.
- Earnings per equity share (Diluted) = Restated profit for the year attributable to owners of the Company / The weighted average number of equity shares for the purpose of diluted earnings per share.
- Net Worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or 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 the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Further, capital reserve have been excluded when computing net worth since these were not created out of the profits.

6. Net Asset Value per Equity Share (in ₹) = Net Worth at the end of the year / Number of equity shares outstanding at the end of the year.

For further details of Non-GAAP measures, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures*” on page 345.

For further details, see “*Financial Information*” and “*Other Financial Information*” on pages 241 and 312, respectively.

### Auditor qualifications

There are no qualifications by our Statutory Auditors which 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 Directors, our Promoter, our Subsidiaries, and our Group Companies as on the date of this Draft Red Herring Prospectus and as disclosed in the section titled “*Outstanding Litigation and Other Material Developments*” in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Category of individuals / entities	Criminal proceedings	Tax proceedings (direct and indirect tax)	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoter in the last five years, including outstanding action	Material civil litigation <sup>#</sup>	Aggregate amount involved* (₹ in million)
<b>Company</b>						
By the Company	25	NA	NA	NA	1	71.05
Against the Company	3	18	4	NA	7	5,648.46 <sup>##</sup>
<b>Directors</b>						
By the Directors	Nil	NA	NA	NA	Nil	Nil
Against the Directors	1	3	Nil	NA	1 <sup>\$</sup>	0.90
<b>Promoter</b>						
By the Promoter	7	NA	NA	NA	4	6,029.44
Against the Promoter	2	18	2 <sup>^</sup>	9	4	2,232.95
<b>Subsidiaries</b>						
By the Subsidiaries	5	NA	NA	NA	1	9.05
Against the Subsidiaries	Nil	17	3	NA	1	2,036.74
<b>Group Companies</b>						
Outstanding litigation which may have a material impact on our Company	Nil	NA	2	NA	Nil	15.00

<sup>#</sup> Determined in accordance with the Materiality Policy.

<sup>\*</sup> To the extent quantifiable, rounded off to two decimal places.

<sup>\$</sup> Daiichi Sankyo Company Limited has filed a contempt petition dated June 20, 2023 before the High Court of Judicature at Delhi (“**High Court**”) against five of our Directors, namely Ravi Rajagopal, Anand Kuppaswamy, Dr. Ashutosh Raghuvanshi, Dilip Kadambi and Suvalaxmi Chakraborty. However, the High Court has not issued any notice in respect of the aforesaid petition.

<sup>^</sup> Includes the proceeding against our Promoter which are currently pending before the Securities Appellate Tribunal, Mumbai, in relation to the penalty imposed on our Promoter by SEBI in connection with the show cause notice dated November 20, 2020.

<sup>##</sup> The amount involved is inclusive of a joint claim against our Subsidiary, Agilus Pathlabs.

For further details, see “*Outstanding Litigation and Other Material Developments*” on page 353.

## Risk factors

Specific attention of the Investors is invited to “*Risk Factors*” on page 36 to have an informed view before making an investment decision.

## Summary of contingent liabilities

The following is a summary table of our contingent liabilities as at March 31, 2023 as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets derived from the Restated Consolidated Financial Information:

(a) *Claims against the Group, disputed by the Group, not acknowledged as debt:*

(₹ in million)

Particulars	As at March 31, 2023
Income tax	2,712.63
Medical related	560.82
Service tax	96.59
Others	41.75
<b>Total</b>	<b>3,411.79</b>

(b) *Further, refer claims assessed as contingent liability described in Note 56, 57 and 58 of the Restated Consolidated Financial Information.*

(c) *The Group has received a claim of ₹ 93.50 million from an ex-employee alleging certain dues payable by the Group to him in respect to his variable pay, provident fund and ESOPs. The ex-employee has also filed a similar claim of ₹ 192.30 million on the Parent Company (Fortis Healthcare Limited). Subsequently, the claimant has filed a petition with National Company Law Tribunal (NCLT) and revised his claim amount to ₹ 363.78 million. The Group has filed the response to the petition on merits submitting that the Petition is not maintainable either under facts or law. The matter is currently pending with National Company Law Tribunal.*

(d) *On 28 February 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers (the "India Defined Contribution Obligation") altered historical understandings of such obligations, extending them to cover additional portions of the employee's income to measure obligations under employees Provident Fund Act, 1952. There are numerous interpretative issues relating to this judgement as to how the liability should be calculated, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. As such, the Group has been legally advised not to consider that there is any probable obligations for periods prior to date of aforesaid judgment.*

(e) *Further refer Note no. 53 for contingent liabilities related to joint venture.*

*Additionally, the Group is involved in other disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business.*

*The Group believes that none of the above matters either individually or in aggregate, are expected to have material adverse effect on its financial statements. The cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various stages/forums.*

For further information, see “*Restated Consolidated Financial Information – Note 42 Contingent Liabilities: Claims against the Group, disputed by the Group, not acknowledged as debt*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 288 and 316, respectively.

## Summary of related party transactions

A summary of the related party transactions entered into by our Company in the financial years ended March 31, 2021, March 31, 2022, and March 31, 2023, as per Ind AS 24 – Related Party Disclosures derived from the Restated Consolidated Financial Information is detailed below:

(in ₹ million)

Particulars	For the year ended 31 March 2021	as a % of Revenue from Operations for the year ended March 31, 2021	For the year ended 31 March 2022	as a % of Revenue from Operations for the year ended March 31, 2022	For the year ended 31 March 2023	as a % of Revenue from Operations for the year ended March 31, 2023
<b>Rendering of services:</b>						
Escorts Heart Institute & Research Centre Limited	133.66	1.29%	166.75	1.04%	175.35	1.30%
Fortis C-DOC Healthcare Limited	5.98	0.06%	7.94	0.05%	8.47	0.06%
Fortis Health Management Limited	13.56	0.13%	18.09	0.11%	21.09	0.16%
Fortis Healthcare Limited	147.91	1.43%	142.07	0.89%	170.85	1.27%
Fortis Hospitals Limited	884.30	8.54%	1,051.93	6.55%	1140.58	8.46%
Fortis Malar Hospitals Limited	27.65	0.27%	37.21	0.23%	34.60	0.26%
Hiranandani Healthcare Private Limited	62.79	0.61%	80.70	0.50%	57.93	0.43%
Agilus Diagnostics Nepal Private Limited	17.64	0.17%	21.42	0.13%	23.43	0.17%
DDRC Agilus Pathlabs Limited	10.14	0.10%	-	0.00%	0.00	0.00%
International Hospital Limited	12.00	0.12%	12.16	0.08%	13.50	0.10%
Apollo Gleneagles Hospital Limited	5.63	0.05%	0.32	0.00%	-	0.00%
Apollo Hospitals Enterprises Limited	4.32	0.04%	0.11	0.00%	-	0.00%
Lanka Hospitals Diagnostics (Pvt) Ltd	6.51	0.06%	4.21	0.03%	4.69	0.03%
Centre for Digestive and Kidney Diseases (India) Private Limited	1.87	0.02%	10.05	0.06%	-	0.00%
Ravindranath GE Medical Associates Private Limited	-	0.00%	0.18	0.00%	-	0.00%
Bharat Insecticides Limited	0.15	0.00%	0.02	0.00%	-	0.00%
Continental Hospitals Private Limited	-	0.00%	0.14	0.00%	-	0.00%
<b>Total</b>	<b>1,334.11</b>	<b>12.89%</b>	<b>1,553.30</b>	<b>9.68%</b>	<b>1,650.49</b>	<b>12.25%</b>

(in ₹ million)

Particulars	For the year ended 31 March 2021	as a % of Other Income for the year ended March 31, 2021	For the year ended 31 March 2022	as a % of Other Income for the year ended March 31, 2022	For the year ended 31 March 2023	as a % of Other Income for the year ended March 31, 2023
<b>Other income:</b>						
DDRC Agilus Pathlabs Limited	12.6	4.92%	0.14	0.10%	-	0.00%
<b>Total</b>	<b>12.60</b>	<b>4.92%</b>	<b>0.14</b>	<b>0.10%</b>	<b>-</b>	<b>0.00%</b>

(in ₹ million)

Particulars	For the year ended 31 March 2021	as a % of Cost of test outsourced for the year ended March 31, 2021	For the year ended 31 March 2022	as a % of Cost of test outsourced for the year ended March 31, 2022	For the year ended 31 March 2023	as a % of Cost of test outsourced for the year ended March 31, 2023
<b>Cost of test outsourced</b>						
Fortis Hospitals Limited	4.12	3.40%	6.22	4.27%	4.82	2.84%
Fortis Healthcare Limited	0.02	0.02%	0.13	0.09%	0.62	0.37%
Fortis Health Management Limited	0.43	0.35%	1.55	1.06%	-	0.00%
Escorts Heart Institute & Research Centre Limited	0.03	0.02%	0.02	0.01%	0.02	0.01%

Particulars	For the year ended 31 March 2021	as a % of Cost of test outsourced for the year ended March 31, 2021	For the year ended 31 March 2022	as a % of Cost of test outsourced for the year ended March 31, 2022	For the year ended 31 March 2023	as a % of Cost of test outsourced for the year ended March 31, 2023
<b>Total</b>	<b>4.60</b>	<b>3.79%</b>	<b>7.92</b>	<b>5.44%</b>	<b>5.46</b>	<b>3.22%</b>

(in ₹ million)

Particulars	For the year ended 31 March 2021	as a % of Miscellaneous expenses for the year ended March 31, 2021	For the year ended 31 March 2022	as a % of Miscellaneous expenses for the year ended March 31, 2022	For the year ended 31 March 2023	as a % of Miscellaneous expenses for the year ended March 31, 2023
<b>Reimbursement of expenses to:</b>						
Escorts Heart Institute & Research Centre Limited	12.19	17.82%	5.40	6.05%	-	0.00%
Fortis Healthcare Limited	1.92	2.80%	2.37	2.65%	3.85	4.89%
Fortis Hospitals Limited	6.46	9.44%	5.59	6.26%	5.59	7.11%
Hiranandani Healthcare Private Limited	6.53	9.53%	7.07	7.92%	1.89	2.40%
Agilus Diagnostics Nepal Private Limited	0.96	1.40%	1.50	1.68%	1.90	2.42%
DDRC Agilus Pathlabs Limited	1.53	2.24%	-	0.00%	-	0.00%
<b>Total</b>	<b>29.59</b>	<b>43.23%</b>	<b>21.93</b>	<b>24.57%</b>	<b>13.23</b>	<b>16.82%</b>

(in ₹ million)

Particulars	For the year ended 31 March 2021	as a % of Miscellaneous expenses for the year ended March 31, 2021	For the year ended 31 March 2022	as a % of Miscellaneous expenses for the year ended March 31, 2022	For the year ended 31 March 2023	as a % of Miscellaneous expenses for the year ended March 31, 2023
<b>Reimbursement of expenses from:</b>						
Escorts Heart Institute & Research Centre Limited	1.18	1.72%	1.36	1.52%	-	0.00%
Fortis Healthcare Limited	1.12	1.64%	2.52	2.82%	0.94	1.19%
Fortis Hospitals Limited	18.44	26.95%	19.39	21.72%	0.01	0.01%
Hiranandani Healthcare Private Limited	24.40	35.66%	31.13	34.87%	15.26	19.40%
Fortis Malar Hospitals Limited	1.40	2.05%	1.53	1.72%	-	0.00%
Agilus Diagnostics Nepal Private Limited	0.23	0.34%	0.12	0.13%	1.64	2.08%
<b>Total</b>	<b>46.77</b>	<b>68.36%</b>	<b>56.05</b>	<b>62.79%</b>	<b>17.85</b>	<b>22.69%</b>

(in ₹ million)

Particulars	For the year ended 31 March 2021	as a % of Employee benefits expense for the year ended March 31, 2021	For the year ended 31 March 2022	as a % of Employee benefits expense for the year ended March 31, 2022	For the year ended 31 March 2023	as a % of Employee benefits expense for the year ended March 31, 2023
<b>Remuneration to key managerial personnel</b>						
Mr. Anand K, Chief Executive Officer	13.83	0.57%	32.93	1.07%	48.20	1.57%
Mr. Mangesh Shrikant Shirodkar, Chief Financial Officer	7.83	0.32%	9.53	0.31%	15.37	0.50%
Mr. Arindam Haldar, Chief Executive	24.50	1.01%	-	0.00%	-	0.00%

Particulars	For the year ended 31 March 2021	as a % of Employee benefits expense for the year ended March 31, 2021	For the year ended 31 March 2022	as a % of Employee benefits expense for the year ended March 31, 2022	For the year ended 31 March 2023	as a % of Employee benefits expense for the year ended March 31, 2023
Officer						
Mr. Sumit Goel, Company Secretary	1.92	0.08%	2.37	0.08%	0.17	0.01%
Mr. Murlee Manohar Jain, Company Secretary	-	0.00%	-	0.00%	3.68	0.12%
Mr. Ravi Rajagopal	2.12	0.09%	1.53	0.05%	1.30	0.04%
Ms. Suvalaxmi Chakraborty	2.36	0.10%	1.65	0.05%	1.77	0.06%
<b>Total</b>	<b>52.56</b>	<b>2.16%</b>	<b>48.01</b>	<b>1.56%</b>	<b>70.49</b>	<b>2.29%</b>

(in ₹ million)

Particulars	For the year ended 31 March 2021	as a % of cost of material consumed for the year ended March 31, 2021	For the year ended 31 March 2022	as a % of cost of material consumed for the year ended March 31, 2022	For the year ended 31 March 2023	as a % of cost of material consumed for the year ended March 31, 2023
<b>Purchase of reagents and consumables</b>						
Fortis Hospitals Limited	1.44	0.05%	1.46	0.04%	2.29	0.07%
Fortis Health Management Limited	0.13	0.00%	0.05	0.00%	-	0.00%
Hiranandani Healthcare Private Limited	0.03	0.00%	0.08	0.00%	0.01	0.00%
Trivitron Health Care Private Limited	1.73	0.06%	-	0.00%	-	0.00%
<b>Total</b>	<b>3.33</b>	<b>0.12%</b>	<b>1.59</b>	<b>0.04%</b>	<b>2.30</b>	<b>0.07%</b>

(in ₹ million)

Particulars	For the year ended 31 March 2021	as a % of Property, plant and equipment as of March 31, 2022	For the year ended 31 March 2022	as a % of Property, plant and equipment as of March 31, 2022	For the year ended 31 March 2023	as a % of Property, plant and equipment as of March 31, 2023
<b>Sale of property, plant and equipment</b>						
Hiranandani Healthcare Private Limited	-	0.00%	-	0.00%	16.70	0.54%
<b>Total</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>16.70</b>	<b>0.54%</b>

(in ₹ million)

Particulars	For the year ended 31 March 2021	as a % of Current Financial Assets as of March 31, 2021	For the year ended 31 March 2022	as a % of Current Financial Assets as of March 31, 2022	For the year ended 31 March 2023	as a % of Total Financial Assets as of March 31, 2023
<b>Loans repaid</b>						
Fortis Hospitals Limited	152.60	2.47%	749.20	14.32%	-	0.00%
Escorts Heart Institute and Research Limited	38.80	0.63%	188.40	3.60%	-	0.00%
Hiranandani Healthcare Private Limited	36.90	0.60%	134.10	2.56%	-	0.00%
<b>Total</b>	<b>228.30</b>	<b>3.69%</b>	<b>1,071.70</b>	<b>20.48%</b>	<b>-</b>	<b>0.00%</b>

(in ₹ million)

Particulars	For the year ended 31 March 2021	as a % of Other Income for the year ended March 31, 2021	For the year ended 31 March 2022	as a % of Other Income for the year ended March 31, 2022	For the year ended 31 March 2023	as a % of Other Income for the year ended March 31, 2023
<b>Interest income</b>						
Fortis Hospitals Limited	86.17	33.63%	7.67	5.71%	-	0.00%
Escorts Heart Institute and Research Limited	21.72	8.48%	3.66	2.72%	-	0.00%
Hiranandani Healthcare Private Limited	16.20	6.32%	2.38	1.77%	-	0.00%
<b>Total</b>	<b>124.09</b>	<b>48.43%</b>	<b>13.71</b>	<b>10.20%</b>	<b>-</b>	<b>0.00%</b>

(in ₹ million)

Particulars	For the year ended 31 March 2021	as a % of Other Income for the year ended March 31, 2021	For the year ended 31 March 2022	as a % of Other Income for the year ended March 31, 2022	For the year ended 31 March 2023	as a % of Other Income for the year ended March 31, 2023
<b>Dividend income</b>						
DDRC Agilus Pathlabs Limited	280.00	109.29%	110.45	82.21%	-	0.00%
<b>Total</b>	<b>280.00</b>	<b>109.29%</b>	<b>110.45</b>	<b>82.21%</b>	<b>-</b>	<b>0.00%</b>

(in ₹ million)

Particulars	For the year ended 31 March 2021	as a % of Dividend paid for the year ended March 31, 2021	For the year ended 31 March 2022	as a % of Dividend paid for the year ended March 31, 2022	For the year ended 31 March 2023	as a % of Dividend paid for the year ended March 31, 2023
<b>Dividend paid</b>						
Fortis Healthcare Limited	-	0.00%	-	0.00%	214.87	57.68%
<b>Total</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>214.87</b>	<b>57.68%</b>

A summary of the related party transactions prior to elimination of intra-group transactions during the Fiscals ended March 31, 2023, March 31, 2022, and March 31, 2021 in accordance with SEBI ICDR Regulations is detailed below:

(₹ in million)

Reporting Entity	Nature	Transacting entity	Financial Year ended	Financial Year ended	Financial Year ended
			31 March 2021	31 March 2022	31 March 2023
Agilus Diagnostics Limited	Rendering of services	Escorts Heart Institute & Research Centre Limited	133.66	166.75	175.35
Agilus Diagnostics Limited	Rendering of services	Fortis C-DOC Healthcare Limited	5.98	7.94	8.47
Agilus Diagnostics Limited	Rendering of services	Fortis Health Management Limited	13.56	18.09	21.09
Agilus Diagnostics Limited	Rendering of services	Fortis Healthcare Limited	147.91	142.07	170.85
Agilus Diagnostics Limited	Rendering of services	Fortis Hospitals Limited	884.30	1,051.93	1,140.58
Agilus Diagnostics Limited	Rendering of services	Fortis Malar Hospitals Limited	27.65	37.21	34.60
Agilus Diagnostics Limited	Rendering of services	Hiranandani Healthcare Private Limited	62.79	80.70	57.93
Agilus Diagnostics Limited	Rendering of services	Agilus Diagnostics FZ LLC	24.04	35.29	46.69
Agilus Diagnostics Limited	Rendering of services	Agilus Diagnostics Nepal Private Limited	17.64	21.42	23.43

Reporting Entity	Nature	Transacting entity	Financial Year ended	Financial Year ended	Financial Year ended
			31 March 2021	31 March 2022	31 March 2023
Agilus Diagnostics Limited	Rendering of services	Agilus Pathlabs Private Limited	19.03	12.78	24.46
Agilus Diagnostics Limited	Rendering of services	Agilus Pathlabs Reach Limited	4.27	11.52	6.87
Agilus Diagnostics Limited	Rendering of services	DDRC Agilus Pathlabs Limited	10.14	14.63	27.03
Agilus Diagnostics Limited	Rendering of services	International Hospital Limited	12.00	12.16	13.50
Agilus Diagnostics Limited	Rendering of services	Apollo Gleneagles Hospital Limited	5.63	0.32	-
Agilus Diagnostics Limited	Rendering of services	Apollo Hospitals Enterprises Limited	4.32	0.11	-
Agilus Diagnostics Limited	Rendering of services	Lanka Hospitals Diagnostics (Pvt) Ltd	6.51	4.21	4.69
Agilus Diagnostics Limited	Rendering of services	Centre for Digestive and Kidney Diseases (India) Private Limited	1.87	10.05	-
Agilus Diagnostics Limited	Rendering of services	Ravindranath GE Medical Associates Private Limited	-	0.18	-
Agilus Diagnostics Limited	Rendering of services	Bharat Insecticides Limited	0.15	0.02	-
Agilus Diagnostics Limited	Rendering of services	Continental Hospitals Private Limited	-	0.14	-
Agilus Diagnostics Limited	Receiving of services - Cost of test outsourced	Fortis Hospitals Limited	4.12	6.22	4.82
Agilus Diagnostics Limited	Receiving of services - Cost of test outsourced	Fortis Healthcare Limited	0.02	0.13	0.62
Agilus Diagnostics Limited	Receiving of services - Cost of test outsourced	Fortis Health Management Limited	0.43	1.55	-
Agilus Diagnostics Limited	Receiving of services - Cost of test outsourced	Escorts Heart Institute & Research Centre Limited	0.03	0.02	0.02
Agilus Diagnostics Limited	Receiving of services - Cost of test outsourced	Agilus Pathlabs Private Limited	15.62	14.02	31.56
Agilus Diagnostics Limited	Reimbursement of expenses to	Escorts Heart Institute & Research Centre Limited	12.19	5.40	-
Agilus Diagnostics Limited	Reimbursement of expenses to	Fortis Healthcare Limited	1.92	2.37	3.85
Agilus Diagnostics Limited	Reimbursement of expenses to	Fortis Hospitals Limited	6.46	5.59	5.59
Agilus Diagnostics Limited	Reimbursement of expenses to	Hiranandani Healthcare Private Limited	6.53	7.07	1.89
Agilus Diagnostics Limited	Reimbursement of expenses to	Agilus Pathlabs Private Limited	7.72	-	-
Agilus Diagnostics Limited	Reimbursement of expenses to	Agilus Diagnostics Nepal Private Limited	0.96	1.50	1.90
Agilus Diagnostics Limited	Reimbursement of expenses to	DDRC Agilus Pathlabs Limited	1.53	3.81	3.38
Agilus Diagnostics Limited	Reimbursement of expenses from	Escorts Heart Institute & Research Centre Limited	1.18	1.36	-
Agilus Diagnostics Limited	Reimbursement of expenses from	Fortis Healthcare Limited	1.12	2.52	0.94
Agilus Diagnostics Limited	Reimbursement of expenses from	Fortis Hospitals Limited	18.44	19.39	0.01
Agilus Diagnostics Limited	Reimbursement of expenses from	Hiranandani Healthcare Private Limited	24.40	31.13	15.26
Agilus Diagnostics	Reimbursement of	Fortis Malar Hospitals	1.40	1.53	-



Reporting Entity	Nature	Transacting entity	Financial Year ended	Financial Year ended	Financial Year ended
			31 March 2021	31 March 2022	31 March 2023
Limited	expenses from	Limited			
Agilus Diagnostics Limited	Reimbursement of expenses from	Agilus Diagnostics Nepal Private Limited	0.23	0.12	1.64
Agilus Diagnostics Limited	Reimbursement of expenses from	Agilus Diagnostics FZ LLC	0.36	0.40	1.42
Agilus Diagnostics Limited	Reimbursement of expenses from	Agilus Pathlabs Private Limited	0.25	-	-
Agilus Diagnostics Limited	Reimbursement of expenses from	DDRC Agilus Pathlabs Limited	-	1.32	-
Agilus Diagnostics Limited	Remuneration to key managerial personnel	Mr. Anand K, Chief Executive Officer	13.83	32.93	48.20
Agilus Diagnostics Limited	Remuneration to key managerial personnel	Mr. Mangesh Shrikant Shirodkar, Chief Financial Officer	7.83	9.53	15.37
Agilus Diagnostics Limited	Remuneration to key managerial personnel	Mr. Arindam Halder, Chief Executive Officer	24.50	-	-
Agilus Diagnostics Limited	Remuneration to key managerial personnel	Mr. Sumit Goel, Company Secretary	1.92	2.37	0.17
Agilus Diagnostics Limited	Remuneration to key managerial personnel	Mr. Murlee Manohar Jain, Company Secretary	-	-	3.68
Agilus Diagnostics Limited	Remuneration to key managerial personnel	Mr. Ravi Rajagopal	2.12	1.53	1.30
Agilus Diagnostics Limited	Remuneration to key managerial personnel	Ms. Suvalaxmi Chakraborty	2.36	1.65	1.77
Agilus Diagnostics Limited	Purchase of reagents and consumables	Fortis Hospitals Limited	1.44	1.46	2.29
Agilus Diagnostics Limited	Purchase of reagents and consumables	Fortis Health Management Limited	0.13	0.05	-
Agilus Diagnostics Limited	Purchase of reagents and consumables	Hiranandani Healthcare Private Limited	0.03	0.08	0.01
Agilus Diagnostics Limited	Purchase of reagents and consumables	DDRC Agilus Pathlabs Limited	-	1.20	5.71
Agilus Diagnostics Limited	Purchase of reagents and consumables	Agilus Pathlabs Private Limited	1.89	-	-
Agilus Diagnostics Limited	Purchase of reagents and consumables	Trivitron Health Care Private Limited	1.73	-	-
Agilus Diagnostics Limited	Sale of reagents and consumables	DDRC Agilus Pathlabs Limited	-	-	0.12
Agilus Diagnostics Limited	Purchase of property, plant and equipment	Agilus Pathlabs Private Limited	8.84	0.41	2.55
Agilus Diagnostics Limited	Purchase of property, plant and equipment	DDRC Agilus Pathlabs Limited	-	4.20	8.46
Agilus Diagnostics Limited	Sale of property, plant and equipment	Agilus Pathlabs Private Limited	2.20	0.76	2.91
Agilus Diagnostics Limited	Sale of property, plant and equipment	Agilus Pathlabs Reach Limited	-	0.29	0.28
Agilus Diagnostics Limited	Sale of property, plant and equipment	DDRC Agilus Pathlabs Limited	-	1.38	0.18
Agilus Diagnostics Limited	Sale of property, plant and equipment	Hiranandani Healthcare Private Limited	-	-	16.70
Agilus Diagnostics Limited	Loans given during the year	Agilus Pathlabs Private Limited	100.00	-	250.00
Agilus Diagnostics Limited	Loans given during the year	Agilus Diagnostics FZ LLC	29.84	-	-
Agilus Diagnostics Limited	Repayments of loans given	Agilus Pathlabs Private Limited	140.00	180.00	-
Agilus Diagnostics Limited	Repayments of loans given	Fortis Hospitals Limited	152.60	749.20	-
Agilus Diagnostics Limited	Repayments of loans given	Escorts Heart Institute & Research Centre Limited	38.80	188.40	-
Agilus Diagnostics	Repayments of loans	Hiranandani Healthcare	36.90	134.10	-

Reporting Entity	Nature	Transacting entity	Financial Year ended	Financial Year ended	Financial Year ended
			31 March 2021	31 March 2022	31 March 2023
Limited	given	Private Limited			
Agilus Diagnostics Limited	Interest income	Fortis Hospitals Limited	86.17	7.67	-
Agilus Diagnostics Limited	Interest income	Escorts Heart Institute & Research Centre Limited	21.72	3.66	-
Agilus Diagnostics Limited	Interest income	Hiranandani Healthcare Private Limited	16.20	2.38	-
Agilus Diagnostics Limited	Interest income	Agilus Pathlabs Private Limited	120.47	106.60	99.77
Agilus Diagnostics Limited	Interest income	Agilus Diagnostics FZ LLC	0.91	3.13	3.13
Agilus Diagnostics Limited	Dividend income	DDRC Agilus Pathlabs Limited	-	-	186.26
Agilus Diagnostics Limited	Dividend income	Agilus Pathlabs Private Limited	-	390.48	186.23
Agilus Diagnostics Limited	Dividend paid	Fortis Healthcare Limited	-	-	214.87
Agilus Diagnostics Limited	ESOP stock option to subsidiary	Agilus Pathlabs Private Limited	0.67	-	-
Agilus Diagnostics Limited	Impairment in value of investment	Agilus Diagnostics FZ LLC	-	-	117.84
Agilus Diagnostics Limited	Impairment in value of investment	Agilus Pathlabs Reach Limited	13.79	-	-
Agilus Diagnostics Limited	Deemed investment	Agilus Pathlabs Private Limited	-	-	463.05
Agilus Diagnostics Limited	Reversal of loss allowance - Trade receivable	Agilus Diagnostics FZ LLC	-	-	19.48
Agilus Diagnostics Limited	Reversal of loss allowance - Trade receivable	Agilus Pathlabs Reach Limited	-	-	6.81
Agilus Diagnostics Limited	Trade Receivables	Escorts Heart Institute & Research Centre Limited	50.56	30.75	35.73
Agilus Diagnostics Limited	Trade Receivables	Fortis C-DOC Healthcare Limited	27.73	32.94	38.69
Agilus Diagnostics Limited	Trade Receivables	Fortis Health Management Limited	1.40	1.29	2.07
Agilus Diagnostics Limited	Trade Receivables	Fortis Healthcare Limited	31.95	50.03	45.91
Agilus Diagnostics Limited	Trade Receivables	Fortis Hospitals Limited	123.79	147.99	140.16
Agilus Diagnostics Limited	Trade Receivables	Fortis Malar Hospitals Limited	3.18	6.81	2.90
Agilus Diagnostics Limited	Trade Receivables	Hiranandani Healthcare Private Limited	79.82	28.19	4.13
Agilus Diagnostics Limited	Trade Receivables	Agilus Diagnostics FZ LLC	138.34	159.70	132.61
Agilus Diagnostics Limited	Trade Receivables	Agilus Diagnostics Nepal Private Limited	15.26	13.66	26.68
Agilus Diagnostics Limited	Trade Receivables	Agilus Pathlabs Reach Limited	26.47	29.59	16.56
Agilus Diagnostics Limited	Trade Receivables	Agilus Pathlabs Private Limited	7.50	7.07	7.77
Agilus Diagnostics Limited	Trade Receivables	DDRC Agilus Pathlabs Limited	0.76	0.74	18.56
Agilus Diagnostics Limited	Trade Receivables	International Hospital Limited	2.03	0.76	1.04
Agilus Diagnostics Limited	Trade Receivables	Apollo Gleneagles Hospital Limited	2.09	-	-
Agilus Diagnostics Limited	Trade Receivables	Ravindranath GE Medical Associates Private Limited	0.01	0.08	0.01

Reporting Entity	Nature	Transacting entity	Financial Year ended	Financial Year ended	Financial Year ended
			31 March 2021	31 March 2022	31 March 2023
Agilus Diagnostics Limited	Trade Receivables	Apollo Hospitals Enterprises Limited	1.12	-	-
Agilus Diagnostics Limited	Trade Receivables	Lanka Hospitals Diagnostics (Pvt) Ltd	1.25	2.07	-
Agilus Diagnostics Limited	Trade Receivables	Bharat Insecticides Limited	0.01	0.03	0.03
Agilus Diagnostics Limited	Trade Receivables	Centre for Digestive and Kidney Diseases (India) Private Limited	0.73	0.04	0.04
Agilus Diagnostics Limited	Trade payables	Fortis Healthcare Limited	1.42	0.30	0.90
Agilus Diagnostics Limited	Trade payables	Agilus Diagnostics Nepal Private Limited	-	-	0.80
Agilus Diagnostics Limited	Trade payables	Agilus Pathlabs Private Limited	14.70	7.88	14.28
Agilus Diagnostics Limited	Other financial liabilities	Fortis Healthcare Limited	1.25	-	0.87
Agilus Diagnostics Limited	Other financial liabilities	Agilus Diagnostics Nepal Private Limited	-	0.55	-
Agilus Diagnostics Limited	Other financial liabilities	Agilus Pathlabs Private Limited	-	-	1.62
Agilus Diagnostics Limited	Other financial liabilities	DDRC Agilus Pathlabs Limited	-	-	0.36
Agilus Diagnostics Limited	Loan receivable (including interest accrued)	Agilus Pathlabs Private Limited	1,050.00	870.00	1,146.10
Agilus Diagnostics Limited	Loan receivable (including interest accrued)	Agilus Diagnostics FZ LLC	30.75	30.61	30.61
Agilus Diagnostics Limited	Loan receivable (including interest accrued)	Fortis Hospitals Limited	767.72	-	-
Agilus Diagnostics Limited	Loan receivable (including interest accrued)	Escorts Heart Institute & Research Centre Limited	193.08	-	-
Agilus Diagnostics Limited	Loan receivable (including interest accrued)	Hiranandani Healthcare Private Limited	137.50	-	-
Agilus Diagnostics Limited	Advances recoverable	Agilus Diagnostics Nepal Private Limited	0.81	-	-
Agilus Diagnostics Limited	Advances recoverable	Lanka Hospitals Diagnostics (Pvt) Ltd	0.40	0.40	0.40
Agilus Diagnostics Limited	Advances recoverable	Agilus Diagnostics FZ LLC	5.71	0.17	1.97
Agilus Diagnostics Limited	Advances recoverable	Agilus Pathlabs Reach Limited	-	-	0.18
Agilus Diagnostics Limited	Advance from customers	Lanka Hospitals Diagnostics (Pvt) Ltd	-	-	0.63
Agilus Diagnostics Limited	Advance from customers	Jacob Ballas Capital India Private Limited	0.02	0.02	0.02
Agilus Diagnostics Limited	Expected credit loss allowance - Trade Receivable	Agilus Diagnostics FZ LLC	114.30	114.30	94.82
Agilus Diagnostics Limited	Expected credit loss allowance - Trade Receivable	Agilus Pathlabs Reach Limited	6.81	6.81	-
Agilus Diagnostics Limited	Loss allowance on loan	Agilus Diagnostics FZ LLC	-	-	29.84
Agilus Diagnostics Limited	Impairment in value of investment	Agilus Pathlabs Reach Limited	80.00	80.00	80.00
Agilus Diagnostics	Impairment in value	Agilus Diagnostics FZ LLC	233.61	233.61	351.45

Reporting Entity	Nature	Transacting entity	Financial Year ended	Financial Year ended	Financial Year ended
			31 March 2021	31 March 2022	31 March 2023
Limited	of investment				
Agilus Pathlabs Private Limited	Rendering of services	Agilus Diagnostics Limited	15.62	14.02	31.56
Agilus Pathlabs Private Limited	Other income (Miscellaneous income)	DDRC Agilus Pathlabs Limited	12.60	12.60	12.60
Agilus Pathlabs Private Limited	Receiving of services	Agilus Diagnostics Limited	19.03	12.78	24.46
Agilus Pathlabs Private Limited	Reimbursement of expenses to	Agilus Diagnostics Limited	0.25	-	-
Agilus Pathlabs Private Limited	Reimbursement of expenses from	Agilus Diagnostics Limited	7.72	-	-
Agilus Pathlabs Private Limited	Sale of reagents and consumables	Agilus Diagnostics Limited	1.89	-	-
Agilus Pathlabs Private Limited	Purchase of property, plant and equipment	Agilus Diagnostics Limited	2.20	0.76	2.91
Agilus Pathlabs Private Limited	Sale of property, plant and equipment	Agilus Diagnostics Limited	8.84	0.41	2.55
Agilus Pathlabs Private Limited	Borrowings availed	Agilus Diagnostics Limited	100.00	-	250.00
Agilus Pathlabs Private Limited	Borrowings repaid	Agilus Diagnostics Limited	140.00	180.00	-
Agilus Pathlabs Private Limited	Interest Expense	Agilus Diagnostics Limited	120.47	106.60	99.77
Agilus Pathlabs Private Limited	Dividend income	DDRC Agilus Pathlabs Limited	280.00	110.45	186.26
Agilus Pathlabs Private Limited	Dividend paid	Agilus Diagnostics Limited	-	390.48	186.23
Agilus Pathlabs Private Limited	Employee stock option expense	Agilus Diagnostics Limited	0.67	-	-
Agilus Pathlabs Private Limited	Trade Receivables	Agilus Diagnostics Limited	7.66	7.88	14.28
Agilus Pathlabs Private Limited	Trade Receivables	DDRC Agilus Pathlabs Limited	-	1.13	1.13
Agilus Pathlabs Private Limited	Trade payables	Agilus Diagnostics Limited	7.50	7.07	6.15
Agilus Pathlabs Private Limited	Borrowings (including interest accrued)	Agilus Diagnostics Limited	1,050.00	870.00	1,146.10
Agilus Pathlabs Private Limited	Advances recoverable	Agilus Diagnostics Limited	7.04	-	-
Agilus Pathlabs Reach Limited	Receiving of services	Agilus Diagnostics Limited	4.27	11.52	6.87
Agilus Pathlabs Reach Limited	Reimbursement of expenses from	Agilus Diagnostics Limited	-	-	0.23
Agilus Pathlabs Reach Limited	Purchase of property, plant and equipment	Agilus Diagnostics Limited	-	0.29	0.28
Agilus Pathlabs Reach Limited	Trade payables	Agilus Diagnostics Limited	26.47	29.59	16.56
Agilus Pathlabs Reach Limited	Other financial liabilities	Agilus Diagnostics Limited	-	-	0.18
DDRC Agilus Pathlabs Limited	Rendering of services	Agilus Diagnostics Limited	-	1.25	-
DDRC Agilus Pathlabs Limited	Rendering of services	DIAL Scans	0.41	0.39	-
DDRC Agilus Pathlabs Limited	Rendering of services	Doctors Diagnostic Centre Private Limited	8.45	28.94	-
DDRC Agilus Pathlabs Limited	Receiving of services	Agilus Diagnostics Limited	10.14	14.63	27.03
DDRC Agilus Pathlabs Limited	Receiving of services - Legal &	Agilus Pathlabs Private Limited	12.60	12.60	12.60

Reporting Entity	Nature	Transacting entity	Financial Year ended	Financial Year ended	Financial Year ended
			31 March 2021	31 March 2022	31 March 2023
	professional expenses				
DDRC Agilus Pathlabs Limited	Receiving of services - Professional fees to doctors	Ajith Joy	-	32.04	-
DDRC Agilus Pathlabs Limited	Receiving of services - Professional fees to doctors	Smitha Ajith	4.23	4.32	-
DDRC Agilus Pathlabs Limited	Receiving of services - Managerial Remuneration	Ajith Joy	34.08	1.09	-
DDRC Agilus Pathlabs Limited	Receiving of services - Managerial Remuneration	Elsy Joseph	9.30	-	-
DDRC Agilus Pathlabs Limited	Receiving of services - Rent	Ajith Joy	9.50	10.34	-
DDRC Agilus Pathlabs Limited	Receiving of services - Rent	Elsy Joseph	0.48	0.49	-
DDRC Agilus Pathlabs Limited	Receiving of services - Rent	Asha Joseph	-	1.01	-
DDRC Agilus Pathlabs Limited	Reimbursement of expenses from	Agilus Diagnostics Limited	1.53	3.81	3.38
DDRC Agilus Pathlabs Limited	Purchase of reagents and consumables	Agilus Diagnostics Limited	-	1.32	-
DDRC Agilus Pathlabs Limited	Sale of reagents and consumables	Agilus Diagnostics Limited	-	-	5.28
DDRC Agilus Pathlabs Limited	Purchase of property, plant and equipment	Agilus Diagnostics Limited	-	1.38	0.22
DDRC Agilus Pathlabs Limited	Sale of property, plant and equipment	Agilus Diagnostics Limited	-	4.20	7.16
DDRC Agilus Pathlabs Limited	Dividend paid	Agilus Diagnostics Limited	-	-	186.26
DDRC Agilus Pathlabs Limited	Dividend paid	Agilus Pathlabs Private Limited	-	110.45	186.26
DDRC Agilus Pathlabs Limited	Dividend paid	Ajith Joy	-	52.47	-
DDRC Agilus Pathlabs Limited	Dividend paid	Elsy Joseph	-	57.99	-
DDRC Agilus Pathlabs Limited	Trade payables	Agilus Diagnostics Limited	0.76	0.74	18.59
DDRC Agilus Pathlabs Limited	Trade payables	Agilus Pathlabs Private Limited	-	1.13	1.13
DDRC Agilus Pathlabs Limited	Trade payables	Ajith Joy	-	0.57	-
DDRC Agilus Pathlabs Limited	Trade Receivables	Doctors Diagnostic Centre Private Limited	-	0.61	-
DDRC Agilus Pathlabs Limited	Trade Receivables	DIAL Scans	-	0.03	-
Agilus Diagnostics FZ LLC	Receiving of services	Agilus Diagnostics Limited	24.04	35.29	46.69
Agilus Diagnostics FZ LLC	Reimbursement of expenses to	Agilus Diagnostics Limited	0.36	0.40	1.42
Agilus Diagnostics FZ LLC	Interest Expense	Agilus Diagnostics Limited	0.91	3.13	3.13
Agilus Diagnostics FZ LLC	Loan received during the year	Agilus Diagnostics Limited	29.84	-	-
Agilus Diagnostics FZ LLC	Trade Receivables	Mena Healthcare Investment Company Limited, BVI	25.41	26.61	28.71
Agilus Diagnostics FZ LLC	Trade payables	Agilus Diagnostics Limited	138.34	159.70	132.61
Agilus Diagnostics FZ LLC	Borrowings (including interest	Agilus Diagnostics Limited	30.75	30.61	30.61

Reporting Entity	Nature	Transacting entity	Financial Year ended	Financial Year ended	Financial Year ended
			31 March 2021	31 March 2022	31 March 2023
	accrued)				
Agilus Diagnostics FZ LLC	Borrowings (including interest accrued)	Medical Management Company Limited, BVI	1.17	1.22	1.32
Agilus Diagnostics FZ LLC	Advances Payable	Agilus Diagnostics Limited	5.71	0.17	1.97
Agilus Diagnostics FZ LLC	Expected credit loss allowance	Mena Healthcare Investment Company Limited, BVI	25.41	26.61	28.71
Agilus Diagnostics Limited	Loss allowance on loan to subsidiary	Agilus Diagnostics FZ LLC	-	-	29.84

For further details, see “*Related Party Transactions*” on page 314. For details of related parties and their relationship with the Company, see “*Restated Consolidated Financial Information – Note 39 – Related party Disclosures*” on page 279.

### Financing arrangements

There have been no financing arrangements whereby our Promoter, our Promoter Group, our Directors and their relatives (as defined in the Companies Act, 2013) and the directors of our Promoter have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

### Weighted average cost of acquisition of Equity Shares acquired by our Promoter and the Selling Shareholders one year preceding the date of this Draft Red Herring Prospectus

Our Promoter and Selling Shareholders have not acquired any Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

### Average cost of acquisition for our Promoter and Selling Shareholders

The average cost of acquisition per Equity Share by our Promoter and the Selling Shareholders as at the date of this Draft Red Herring Prospectus is set forth below:

S. No.	Name	Number of Equity Shares held as on the date of this Draft Red Herring Prospectus	Average cost of acquisition per Equity Share (in ₹)*
<b>Promoter</b>			
1.	Fortis Healthcare Limited	45,236,779	200.92
<b>Selling Shareholders</b>			
1.	International Finance Corporation	5,970,149	201.00
2.	NYLIM Jacob Ballas India Fund III LLC	12,437,811	201.00
3.	Resurgence PE Investments Limited	6,310,315	188.26

\* As certified by N B T and Co, Chartered Accountants by way of their certificate dated September 29, 2023.

### Details of price at which specified securities were acquired by our Promoter, members of our Promoter Group, Selling Shareholders and Shareholders with the right to nominate directors or other special rights in the last three years preceding the date of this Draft Red Herring Prospectus

Our Promoter, members of our Promoter Group, the Selling Shareholders and Shareholders with right to nominate directors or any other special rights, have not acquired any specified securities in the three years immediately preceding the date of this Draft Red Herring Prospectus.

For further information, see “*History and Certain Corporate Matters- Details of subsisting Shareholders’ agreements*” and “*Description of Equity Shares and Terms of the Articles of Association*” on pages 204 and 424, respectively.

### Details of Pre-IPO placement

Our Company is not contemplating a pre-IPO placement.

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

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

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

Our Company has not undertaken split or consolidation of its equity shares in the 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**

Our Company has not applied for an exemption from complying with any provisions of securities laws to SEBI.

## SECTION III – RISK FACTORS

*An investment in our Equity Shares involves a high degree of risk. You should carefully consider the risks and uncertainties described below as well as other information as may be disclosed in this Draft Red Herring Prospectus 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 presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future and may also impair our business. If any or a combination of the following risks or other risks that are not currently known or are now deemed immaterial actually occur, our business, prospects, results of operations, financial condition and cash flows could suffer, the trading price and the value of your investment in our Equity Shares could decline and you may lose all or part of your investment. In order to obtain an understanding of our Company and our business, prospective investors should read this section in conjunction with “Industry Overview”, “Our Business”, “Restated Consolidated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 121, 170, 241 and 316, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.*

*Unless specified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Any potential investor in our Equity Shares should pay particular attention to the fact that we are subject to a regulatory environment in India, which may differ significantly from that in other jurisdictions. In making an investment decision, prospective investors must consult their tax, financial and legal advisors about the particular consequences of investing in the Offer and 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 contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See “Forward-Looking Statements” on page 18. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. See “Restated Consolidated Financial Information” on page 241.*

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled “Assessment of the diagnostics industry in India” dated September 2023 (the “**CRISIL Report**”) prepared and released by CRISIL MI&A, a division of CRISIL Limited, exclusively commissioned by our Company and paid for by our Company on behalf of the Selling Shareholders in connection with the Offer, pursuant to an engagement letter dated June 16, 2023. A copy of the CRISIL Report is available on the website of our Company at <https://agilusdiagnostics.com/investors/draft-red-herring-prospectus-and-related-documents>. 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. 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 further information, see “- Internal Risks - Certain sections of this Draft Red Herring Prospectus disclose information from the CRISIL Report which has been prepared exclusively for the Offer and commissioned by our Company and paid for by our Company on behalf of the Selling Shareholders exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.” on page 61.*

*Unless otherwise indicated or the context otherwise requires, in this section, references to “the Company” or “our Company” are to Agilus Diagnostics Limited on a standalone basis, and references to “the Group”, “we”, “us”, “our”, are to Agilus Diagnostics Limited and its Subsidiaries and Joint Venture on a consolidated basis.*

### INTERNAL RISKS

#### **Brand Risks**

- 1. We recently changed our brand which led to certain legal proceedings that are currently pending before the Delhi High Court. Any unfavorable outcome may have an adverse effect on our business, reputation, results of operations and financial condition.***



In May 2023, we changed our brand name from our former brand (“**Former Brand**”) to “*Agilus Diagnostics*” and our Company’s name to ‘Agilus Diagnostics Limited’. Our Company had previously entered into a brand license agreement dated November 10, 2015, with RHC Holding Limited for the non-exclusive use of the Former Brand. Pursuant to a letter dated February 28, 2018 from RHC Holding Limited, our Company was informed that Headway Brands Private Limited has become the licensor pursuant to a deed of assignment entered into between RHC Holding Limited and Headway Brands Private Limited. The aforesaid licensing agreement expired on May 9, 2021. In the aforesaid backdrop, we initiated steps towards the brand transition exercise to a new brand from August 14, 2020, pursuant to which stock exchange intimations were made by our Promoter regarding the decision of the boards of directors of our Promoter and our Company to transition to a new brand.

Against the above transition, Shivinder Mohan Singh, through his wife Aditi S. Singh, filed an application before the Delhi High Court (“**Delhi High Court**”) dated May 23, 2023 and May 29, 2023 respectively, seeking *inter alia* directions from the Delhi High Court to (i) restrain us from abruptly dumping/discontinuing the Former Brand and allied trademarks and/or from acting in any manner detrimental to the value of the Former Brand and allied trademarks, (ii) pass an order directing the sale of the Former Brand and allied trademarks on the basis of a proper valuation, (iii) appoint an independent entity to facilitate the valuation; and (iv) deposit additional brand license fee due and payable under the licensing agreement along with interest. In the aforementioned proceedings, the Delhi High Court *vide* an order dated May 26, 2023, directed that no steps be taken “*in any matter to diminish the value*” of the Former Brand (“**Delhi High Court Order**”). The Delhi High Court has not passed any orders in the abovementioned applications that restrain us from undertaking the brand transition.

During these proceedings, we have deposited the outstanding license fees before the Delhi High Court up to March 31, 2021. The applicant, Shivinder Mohan Singh, in his application dated May 29, 2023 has also sought further damages in addition to the sums that have already been deposited, but no such directions have been issued by the Delhi High Court in this regard and the matter is pending adjudication. The Delhi High Court has also appointed a valuer to conduct the valuation of the Former Brand with a view towards auction of the same. The valuer has prepared a valuation report for the Former Brand which has been filed before the Delhi High Court.

In September 2023, Chandra Shekhar Jha, an ex-director of Headway Brands Private Limited (the company which was the owner and licensor of the Former Brand) has filed an application dated September 14, 2023 before the Delhi High Court *inter alia* seeking payment of certain license fees and damages for use of the Former Brand, and that an inquiry be conducted into the impact of our Company’s brand transition upon the valuation of the Former Brand. The High Court by its order dated September 25, 2023, while issuing notice on the said application recorded the preliminary objections of our Company that the application (i) is not maintainable and (ii) our Company and Agilus Pathlabs are not a necessary party. Parties named in the said application have been allowed time to file a reply to it.

Separately and in connection with the abovementioned proceedings, on June 20, 2023, Daiichi Sankyo Company Limited (“**Daiichi**”) filed a contempt petition against our Company, our Promoter, certain Directors, and certain others before the Delhi High Court, alleging that we had wilfully disobeyed the Delhi High Court Order by *inter alia* transitioning to a new brand in a manner that diminishes the value of the Former Brand. However, the Delhi High Court has not issued notice in respect of the aforesaid contempt petition filed by Daiichi.

These matters are currently pending before the Delhi High Court. For further details, see “*Outstanding Litigation and Other Material Developments – Litigation involving our Company – Litigation against our Company – Other material proceedings against our Company*” on page 356. These proceedings could divert our management’s time and attention and consume financial resources. Any adverse outcome of these legal proceedings in the future may have an adverse effect on our business and reputation. There is no assurance that we will be able to successfully defend these claims or that the outcome of these proceedings will be in our favor. A negative outcome may entail payment of monetary compensation in the form of damages or license fees with or without interest, which in turn may materially and adversely impact our business, results of operations and financial condition.

2. ***Any failure to establish our new brand may adversely affect customer confidence in our services or our inability to maintain and enhance our brand and reputation or any negative publicity and allegations, may have an adverse impact on our business, reputation, results of operations and financial condition.***

Our Company changed our brand and corporate name recently to “*Agilus Diagnostics*” and “*Agilus Diagnostics Limited*”, respectively and we are in the process of transitioning all our operations under our new brand. Our Subsidiaries and Joint Venture also changed their names to reflect our new brand. For further information, see “*History and Certain Corporate Matters - Brief history of our Company*” on page 200.

Even though we will continue to leverage our experience, reputation and service offerings, and incur increased costs for implementation and marketing of our new brand, we cannot predict the impact of the change in our brand and corporate name on our reputation, business, operations and financial condition. Further, there can be no assurance that our Former Brand will not be sold to any of our competitors, or other third parties, who may leverage the brand and our reputation to attract customers who were loyal to our previous brand name, which in may materially and adversely affect our results of operation, reputation and fiscal health.

Our change in brand and corporate name may present us with various challenges including: (a) sale of our former brand to competitors or third parties who may leverage the brand and our reputation to attract customers (b) alienation of existing individual and institutional customers and collection centers who were loyal to the previous brand name and confusion among potential customers who may be unfamiliar with our new brand name and who may therefore choose our competitors over us, which may in turn lead to a decrease in the sale of our service offerings; (c) inability to retain existing, and attract new, healthcare personnel; and (d) exposure to legal and regulatory risks including trademark infringement and domain name disputes which may also require us to undergo expensive litigation or forced re-branding (Also, see “- *Internal Risks - We recently changed our brand which led to certain legal proceedings that are currently pending before the Delhi High Court. Any unfavorable outcome may have an adverse effect on our business, reputation, results of operations and financial condition*” and “*Outstanding Litigation and Other Material Developments – Litigation involving our Company – Litigation against our Company – Other material proceedings against our Company*” on pages 36 and 356, respectively).

We have been subject to certain media reports in the past that contain certain allegations against our business that resulted in negative publicity. While such negative publicity did not lead to any material adverse effect on our business and operations in Fiscals 2021, 2022 and 2023, there can be no assurance that any such negative publicity in the future may not result in a damage to our brand or reputation, which in turn could adversely affect our business, results of operations and financial condition.

In addition, we may be subject to increased costs for implementation and marketing of our new brand. Our investments in marketing our brands may not be successful and may be affected if such investments and initiatives are not appropriately timed with market opportunities or are not effectively brought to market. If our marketing activities fail to yield the intended results, or we fail to maintain or enhance our brand recognition and reputation or increase positive awareness of our services, our business, financial condition, cash flows and results of operations may be adversely affected.

Further, the transition to the new brand may adversely impact the perception of our Company amongst our customers, which may lead to our customers opting for other diagnostics companies for availing diagnostic tests, which in turn may adversely affect our revenue, business, results of operations and financial condition.

3. ***Our trade mark applications in relation to our new brand, “Agilus Diagnostics” and “Agilus” are not yet registered, and some have been objected/opposed by other parties. Any inability to obtain registration or otherwise protect our intellectual property rights, or any exposure to misappropriation and infringement claims by third parties, could have an adverse effect on our business, reputation, financial condition and results of operations.***

We have recently applied for the registration of trade marks in relation to our new brand name and logo, “*Agilus Diagnostics*” and “*Agilus*” and other combination trade marks which include the brand name and logo “*Agilus Diagnostics*” and “*Agilus*”, under various classes specified under the Trade Marks Act, 1999, which are under the process of registration. While we have secured registrations for some “*Agilus Diagnostics*” and “*Agilus*” combination marks, certain other applications for the “*Agilus Diagnostics*” and “*Agilus*” trade marks in relation to our new brand name under different classes (i) are objected to by the Registrar of Trade Marks; or (ii) opposed by third parties, as the case may be, on the grounds of similarity or being deceptively similar. There is no assurance that we will be able to successfully defend our applications and obtain registration for trademarks in relation to our new brand, which may adversely affect our business,

financial condition and reputation. Also, see “- *Internal Risks - Any failure to establish our new brand may adversely affect customer confidence in our services or our inability to maintain and enhance our brand and reputation or any negative publicity and allegations, may have an adverse impact on our business, reputation, results of operations and financial condition*” on page 37. For further information in relation to our intellectual property approvals, see “*Government and Other Approvals – Intellectual property rights*” and “*Our Business – Intellectual Property*” on pages 377 and 189, respectively.

Until our trade mark registration applications are accepted, any unauthorized or inappropriate use of our brand, trade marks and domain names by others, in their corporate names or service offerings or otherwise could harm our brand image, competitive advantages and business, and dilute or harm our reputation and brand recognition. While we will have legal claims under common law against such any unauthorized or inappropriate use of our brand, trade marks and domain names by others, our failure to register or protect our intellectual property rights may undermine our brand and hinder the growth of our business. Further, we have ongoing legal proceedings against the change in our brand name. For further information, see “- *Internal Risks - We recently changed our brand which led to certain legal proceedings that are currently pending before the Delhi High Court. Any unfavorable outcome may have an adverse effect on our business, reputation, results of operations and financial condition*” on page 36 and “*Outstanding Litigation and Other Material Developments – Other material proceedings against our Company*” on page 356. Any adverse outcome of such proceedings may adversely affect our business, financial condition and reputation.

Successful infringement claims against us could also result in significant monetary liability. Our defense of any such claim, regardless of its merit, could also be time consuming and divert management resources. In addition, resolution of claims may require us to cease using those rights altogether. In addition, there is no assurance that steps taken by us to protect our intellectual property rights will be adequate to stop infringement by others, including imitation and misappropriation of our brand. 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. As a result, we may be exposed to risks associated with intellectual property infringement and misappropriation claims by third parties. While we have not faced such infringement claims in Fiscals 2021, 2022 and 2023, any infringement claims in the future could have an adverse effect on our business, reputation, financial condition and results of operations.

#### ***Legal and Regulatory Risks***

- 4. Our Promoter, Fortis Healthcare Limited, is subject to certain regulatory and statutory proceedings, including an appeal pending before the Securities Appellate Tribunal and an ongoing investigation by the Serious Fraud Investigation Office for certain alleged improper transactions and non-compliance with applicable laws and regulations including the Companies Act. Any prolonged proceedings or adverse outcome of such proceedings in the future may have an adverse impact on our business and reputation.***

Pursuant to the conclusion of an investigation initiated by SEBI during Fiscal 2018, pertaining to, *inter alia* the diversion of approximately ₹4,730 million from our Promoter, Fortis Healthcare Limited (“**Fortis**”), for the ultimate benefit of the erstwhile promoters of Fortis, SEBI *vide* a show cause notice dated November 20, 2020 (“**SCN 1**”) issued to various entities, including Fortis and Fortis Hospitals Limited (“**FHsL**” and together with Fortis, the “**Noticees**”), *inter alia* alleged that the consolidated financials of Fortis during the relevant period were untrue and misleading for the shareholders of Fortis and Fortis had circumvented certain provisions of the SEBI Act, the SCRA, and certain SEBI regulations.

In response to the SCN 1, the Noticees submitted a joint representation/reply to SEBI on December 28, 2020, praying for quashing of the SCN 1 on the grounds that all acts impugned in the SCN 1 related to the period when the erstwhile promoters of Fortis controlled the affairs of the Noticees, and the Noticees themselves were victims of the schemes of the erstwhile promoters and thus ought not to be held accountable for the actions of the wrongdoers. Subsequently, SEBI *vide* an order dated April 19, 2022, directed the Noticees to continue to pursue measures to recover approximately ₹3,971 million, along with due interest, which had already been initiated by the Noticees, from the erstwhile promoters of Fortis and imposed a penalty of ₹10 million and ₹5 million on Fortis and FHsL, respectively (“**Impugned Order 1**”).

The Noticees have filed an appeal against the Impugned Order 1 before the Securities Appellate Tribunal, Mumbai (“**SAT**”). While SAT has stayed the Impugned Order 1 subject to a deposit of 50% of the penalty amount with SEBI *vide* an order dated July 8, 2022, which has been deposited by the Noticees in accordance

with SAT's instructions, the appeal remains pending adjudication. We cannot assure you regarding the outcome of the proceedings, which may demand time, attention and resources of our management.

On April 9, 2021, SEBI had issued another show cause notice (“**SCN 2**”) to various noticees including Escorts Heart Institute and Research Centre Limited (“**EHIRCL**”), alleging that certain noticees, including EHIRCL, were part of a fraudulent and deceptive device wherein they acted in fraudulent manner which led to the misuse and/or diversion of funds from a listed company i.e. Fortis, amounting to approximately ₹ 3,971 million for the ultimate benefit of the erstwhile promoters of Fortis and entities owned/controlled by them. In this respect, on May 18, 2022, SEBI passed an order holding EHIRCL responsible for fraudulent scheme perpetrated at the behest of the then management of Fortis/FHsL for the benefit of the erstwhile promoters of Fortis and violating the relevant provisions of SEBI (PFUTP) Regulations (“**Impugned Order 2**”). SEBI imposed a penalty of ₹ 10 million on EHIRCL for violation of certain provisions of SEBI laws. EHIRCL has filed an appeal against Impugned Order 2 before the SAT. While SAT has stayed Impugned Order 2 subject to a deposit of 50% of the penalty amount with SEBI, which has been deposited by EHIRCL in accordance with SAT's instructions, the appeal remains pending adjudication. We cannot assure you regarding the outcome of the proceedings, which may demand time, attention and resources of our management and our Promoter's management.

Additionally, pursuant to an order dated February 17, 2018, issued by the Ministry of Corporate Affairs, the Serious Fraud Investigation Office (“**SFIO**”) was directed to conduct investigations into the affairs of Fortis to *inter alia* ascertain rotation/siphoning of funds, including the quantum and beneficiaries thereof, instances of mismanagement, negligence, fraud, etc. Consequently, Fortis became subject to the aforesaid investigation by the SFIO in relation to certain alleged improper transactions and non-compliances which relate to or originated prior to the change in management and ownership of Fortis from its erstwhile promoters in Fiscal 2018. Pursuant to the aforesaid investigation, Fortis, along with certain of its subsidiaries (together, the “**Fortis Group**”) have received notices requiring them to furnish documents, information and respond to summons. While the Fortis Group is cooperating with the relevant authorities in relation to such proceedings, Fortis filed a complaint with the Economic Offences Wing, New Delhi against the erstwhile promoters of Fortis and their related entities on November 9, 2020, which is also being investigated by the Enforcement Directorate. Basis the said complaint, an FIR was registered against the relevant entities on July 3, 2021. The investigation is currently ongoing. Our Statutory Auditors have also included an emphasis of matter in this regard in the audit reports of our Company. For further information, see “*Restated Consolidated Financial Information*” on page 241.

Such proceedings could divert our and our Promoter's management's time and attention and consume financial resources. Any adverse outcome of these legal proceedings in the future or any adverse or negative reporting in the media about the Fortis Group may have an adverse effect on our Promoter's business and reputation which in turn could adversely affect our business and reputation. For further information of ongoing legal proceedings involving Fortis, see “*Outstanding Litigation and Other Material Developments – Actions by statutory or regulatory authorities against our Company*” on page 355.

In addition, given that our Promoter is a listed entity and is consequently subject to stringent regulatory compliance requirements, including in relation to the Stock Exchanges where its securities are listed, any non-compliance could lead to penalties and an adverse impact on its financial condition and reputation, which in turn could adversely affect our business, operations and reputation.

5. ***There are outstanding litigation against our Company, Promoter, Directors, Group Companies and Subsidiaries. An adverse outcome in any of these proceedings may affect our reputation and standing and impact our future business and could have a material adverse effect on our business, results of operations, financial condition and cash flows.***

There are outstanding legal proceedings against our Company, Directors, Group Companies, Promoter and Subsidiaries, which are pending at various levels of adjudication before various courts, tribunals and other authorities. A summary of pending criminal proceedings, statutory or regulatory proceedings, tax proceedings and material civil litigation involving our Company, Promoter, Group Companies, Directors, and Subsidiaries, as identified by our Company pursuant to the Materiality Policy adopted by our Board, is provided below:

Category of individuals / entities	Criminal proceedings	Tax proceedings (direct and indirect tax)	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoter in the last five years, including outstanding action	Material civil litigation <sup>#</sup>	Aggregate amount involved* (₹ in million)
<b>Company</b>						
By the Company	25	NA	NA	NA	1	71.05
Against the Company	3	18	4	NA	7	5,648.46 <sup>##</sup>
<b>Directors</b>						
By the Directors	Nil	NA	NA	NA	Nil	Nil
Against the Directors	1	3	Nil	NA	1 <sup>\$</sup>	0.90
<b>Promoter</b>						
By the Promoter	7	NA	NA	NA	4	6,029.44
Against the Promoter	2	18	2 <sup>^</sup>	9	4	2,232.95
<b>Subsidiaries</b>						
By the Subsidiaries	5	NA	NA	NA	1	9.05
Against the Subsidiaries	Nil	17	3	NA	1	2,036.74
<b>Group Companies</b>						
Outstanding litigation which may have a material impact on our Company	Nil	NA	2	NA	Nil	15.00

<sup>#</sup> Determined in accordance with the Materiality Policy.

<sup>\*</sup> To the extent quantifiable, rounded off to two decimal places.

<sup>\$</sup> Daiichi Sankyo Company Limited has filed a contempt petition dated June 20, 2023 before the High Court of Judicature at Delhi (“**High Court**”) against five of our Directors, namely Ravi Rajagopal, Anand Kuppaswamy, Dr. Ashutosh Raghuvanshi, Dilip Kadambi and Suvalaxmi Chakraborty. However, the High Court has not issued any notice in respect of the aforesaid petition.

<sup>##</sup> The amount involved is inclusive of a joint claim against our Subsidiary, Agilus Pathlabs.

There can be no assurance that these legal proceedings will be decided in our favor or in favor of our Directors, Group Companies, Promoter and Subsidiaries. In addition, we cannot assure you that no additional liability will arise out of these proceedings that could divert our management’s time and attention and consume financial resources. Any adverse order or direction in these cases by the concerned authorities, even though not quantifiable, may have an adverse effect on our business, results of operations, financial condition and cash flows. For further details, please refer to “*Outstanding Litigation and Other Material Developments*” on page 353.

In addition, our Company, in the ordinary course of business, receives notices and other communications from various State and local regulatory and other statutory authorities, which our Company responds to and wherever required, complies with the directions of such authorities. These notices typically relate to (i) seeking of information; (ii) non-compliance of rules and regulations; and (iii) non-payment/ demand of statutory fee.

Following a successful bid, our Promoter, Fortis Healthcare Limited (“**Fortis**”) entered into a share subscription agreement dated July 13, 2018, with Northern TK Venture Pte. Ltd. (“**Northern TK**”), an indirect wholly owned subsidiary of IHH Healthcare Berhad (“**IHH**”), for an equity infusion of ₹40,000.00 million into Fortis by Northern TK for 31.17% of the share capital of Fortis, subject to approval of the shareholders of Fortis (which was obtained in due course). In terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Northern TK was consequently obligated to make mandatory open offers for acquisition of additional shares in Fortis and Fortis Malar Hospitals Limited, respectively (“**Open Offers**”) and public announcements with respect to the Open Offers

were made on July 13, 2018. On November 13, 2018, the preferential allotment of Fortis shares to Northern TK was completed. Thereafter, the Supreme Court of India (“**Supreme Court**”), in proceedings initiated by Daiichi against *inter-alia* the erstwhile promoters of Fortis and certain entities controlled by them and to which IHH, Northern TK and Fortis were not impleaded as parties, *vide an ex-parte* order dated December 14, 2018 (“**Status Quo Order**”) directed “*status quo with regard to sale of the controlling stake in Fortis Healthcare to Malaysian IHH Healthcare Berhad be maintained*”. In order to comply with the Status Quo Order, the Open Offers were put on hold. Thereafter, by way of order dated November 15, 2019, the Supreme Court, in contempt proceedings initiated by Daiichi against certain other persons to which IHH, Northern TK and Fortis were not impleaded as parties, issued *suo motu* contempt notice to, among others, our Promoter and directed that a fresh contempt petition be registered in regard to the alleged violation of the Status Quo Order.

Petitions before the Supreme Court, including the *suo motu* contempt proceedings have been disposed of pursuant to the Supreme Court’s final judgment dated September 22, 2022 (“**Judgment**”). No finding of contempt has been made against our Promoter, or its independent directors. The Judgment *inter alia* indicated that certain transactions entered into between Fortis and RHT Health Trust (“**RHT Transaction**”) appeared *prima facie* to be an acquisition of proprietary interest to subvert the business structure of Fortis. The Supreme Court also passed certain directions that the Delhi High Court may consider issuing appropriate process and appointing forensic auditors(s) to analyse the transactions entered into between Fortis and RHT and other related transactions, if the Delhi High Court so deems appropriate.

The Open Offers have not yet been consummated. As the Open Offer in respect of our Promoter is pending, during such pendency, certain corporate actions, as set out under Regulation 26 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 can only be undertaken by the Promoter and its subsidiaries (including our Company and its subsidiaries) after obtaining the approval of the shareholders of the Promoter by way of a special resolution. The timing of completion of the Open Offers is currently uncertain.

**6. *We are liable to protect our patients’ personal information and any failure to protect such information, could materially and adversely affect our business, results of operations and financial condition.***

A significant portion of our operations rely on the secure processing, storage and transmission of confidential information, including patients’ health information. Our activities are subject to a risk of cyber security issues and/or attacks which could result in the disclosure or loss of confidential patient information and adversely affect our ability to process laboratory requisitions, perform testing, provide test results in a timely manner and bill the appropriate party. Despite our security measures, our computer systems, software and networks are vulnerable to unauthorized access, loss or destruction of data (including confidential patients’ health data), hardware malfunctions, computer viruses, malware or other malicious code, cyber-attacks and other events. We are also subject to the threat of cyber-attack due to the integration of our servers with the servers of third party security service providers. These threats may derive from human error, fraud or malice on the part of our healthcare professionals or third parties, or may result from accidental technological failure. Deficiencies in managing our information systems and data security practices may lead to leaks of personal information and sensitive personal or health data or information, including, patient records, test results, prescriptions and laboratory records. While we have not faced any instances of cyber-attacks or leaks of our patient records in Fiscals 2021 2022 and 2023, any such cyber-attack or leaks of patient records in the future could adversely impact our business, reputation, results of operations and financial condition.

Indian laws, rules and regulations generally require body corporates/ medical facilities to protect the privacy of their patients, clients, employees/ staff or third party and prohibit unauthorized disclosure of personal information, including medical data. For further details of cyber laws applicable to our Company, please refer to “*Key Regulations and policies*” on page 192. 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.

**7. *We are subject to various operational, reputational, medical and legal claims, regulatory actions or other liabilities arising from the provision of healthcare services and may be subject to liabilities arising from claims of malpractice and medical negligence which could adversely affect our business, results of operations and financial condition.***

We may be exposed to heightened risks of legal claims, criminal actions and regulatory actions arising out of

the services we provide and any allegation of non-compliance with the provisions of applicable laws and regulations, including liabilities that arise from claims of medical negligence against our healthcare professionals including doctors, technicians and paramedical staff. We may also from time to time receive complaints from, or be involved in, disputes with our customers with regard to false positive or false negative check-up results, misdiagnosis, or other acts of medical negligence, which is a unique risk of the diagnostics services industry. They can be attributed to various factors, such as the negligence of medical personnel, failure of diagnostic equipment, inaccurate results of tests conducted by third-party laboratories, individual customer-specific conditions and disease complications. For instance, Pardeep Singh and Manpreet Kaur (“**Complainants**”) filed a consumer complaint before the National Consumer Disputes Commission, New Delhi against our Company and one of its advisors alleging medical negligence and deficiency in service due to issuance of a false report, making an erroneous diagnosis and failing to adequately advise the Complainants. For further information, see “*Outstanding Litigation and Other Material Developments – Litigation involving our Company – Litigation against our Company – Other material proceedings against our Company*” on page 356. As on the date of this Draft Red Herring Prospectus, we are involved in various consumer disputes, primarily pertaining to deficient services, which are outstanding before various consumer disputes forums at different stages of adjudication.

In addition, medical consumables used in our services may be subject to contamination, mislabelling, malicious tampering and other damage such as errors in the dispensing and packaging of specimens, which may lead to injury or death of our customers. Most of the radiation therapy and diagnostic imaging equipment we use contain radioactive and nuclear materials or emit radiation during their operation, which are hazardous substances unless properly managed. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties including damages under the consumer protection statutes. While we have not faced any instances of contamination or injury resulting from use of hazardous materials in Fiscals 2021, 2022 and 2023 that led to a material adverse effect on our business and operations, there can be no assurance that such events may not occur in the future.

**8. *Our industry is highly regulated and requires us to obtain, renew and maintain statutory and regulatory permits, accreditations, licenses and comply with applicable safety, health, environmental, labor and other governmental regulations. Any regulatory changes or violations of such rules and regulations may adversely affect our business, results of operations and financial condition.***

We are subject to a wide variety of governmental, state and local environmental and occupational health and safety and other laws and regulations. Further, we are required to obtain and renew from time to time, a number of approvals, accreditations, licenses and registrations from governmental and regulatory authorities in relation to our business operations. For a description of the approvals and licenses obtained by us including approvals for which applications (including renewal applications) are made and which are yet to be received, see “*Government and Other Approvals*” on page 375. While we have not faced any failure to renew approvals in Fiscals 2021, 2022 and 2023 that could have a material adverse effect on the business and operation of the Company, any failure by us in the future to renew our approvals that have expired or apply for and obtain the required approvals, licenses or registrations, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may impede our operations and may have an adverse effect on our business, results of operations and financial condition.

Further, the qualifications and practice of our healthcare professionals including our doctors, technicians and other paramedical staff are also strictly regulated by applicable laws, regulations, policies and guidelines, as well as by applicable codes of professional conduct or ethics. If our healthcare professionals fail to comply with applicable laws, regulations, policies or guidelines, including professional licensing requirements, they and/or we may be subject to penalties including fines, loss of licenses or restrictions on our laboratories and operations, which could materially and adversely affect our business and reputation.

Moreover, 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 detailed information in relation to the rules and regulations applicable to us, see “*Key Regulations and Policies*” on page 192. While we have not faced any such material non-compliance in Fiscals 2021, 2022 and 2023, any material non-compliance with the applicable laws, rules and regulations in the future 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. Further, the risk of substantial costs and liabilities for any non-compliance at laboratories

owned or operated by us or our franchisees are inherent in our operations, and there can be no assurance that substantial costs and liabilities will not be incurred in the future.

In addition, the prices that we charge for our services could become subject to recommended or maximum fees set by the Government or other authorities. For instance, the government could introduce “price lists” for services that could be mandatory or, even if not mandatory, result in guidance for the prices we charge for our diagnostic healthcare services. For instance, in Fiscal 2021, we received instructions from the Indian Council of Medical Research to cap the price of RT-PCR tests. The implementation of such or other policies affecting the prices we charge could, in effect, limit our ability to charge customers higher prices for our services, which may have an adverse effect on our business, results of operations and financial condition.

Further, our Company is unable to trace the letter of offer which had been issued to the Shareholders of our Company in relation to the equity shares allotted pursuant to the rights issue on March 30, 1996. In the event any disputes arises in relation to such rights issue, or there is any demand for such missing documents by any regulatory authority, our Company may not be able to successfully defend such disputes or provide the relevant documents, which may lead to initiation of regulatory action.

**9. We currently avail tax benefits and are entitled to certain incentives. Any change in these benefits and incentives applicable to us or a delay in disbursement of benefits under such schemes may affect our results of operations.**

We currently avail benefits under Goods and Services Tax. For further information, see “Statement of Possible Special Tax Benefits” on page 114. Any reduction or withdrawal of such benefits or our inability to meet any of the conditions prescribed under any of the schemes would adversely affect our business, results of operations and financial condition as well as and the related credits availed under direct, indirect taxes, and MAT. Further, the benefits/ incentives under such schemes are available to us for a fixed period subject to compliance with various terms and conditions and such incentive are not subject to renewal. There can be no assurance that we will continue to enjoy these benefits in the future or will be able to obtain timely disbursement of such benefits.

**Business Risks**

**10. We have entered into a master service agreement with our Promoter and certain other letters/agreements with our Promoter and its affiliates in respect of providing certain laboratory management services to them and are dependent on them for a portion of our revenues. Any non-performance, non-renewal/ revision, substantial change in the agreed rates or termination of such agreements may adversely affect our business, results of operations and financial condition.**

We have entered into a master service agreement with our Promoter and various letters/memoranda of understanding with our Promoter and its affiliates pursuant to which we operate their in-hospital laboratories and conduct on-site testing. As of March 31, 2023, we operated 24 laboratories in hospitals operated by our Promoter and its affiliates. Set out below are details of revenue generated from operating in-hospital laboratories at hospitals operated by our Promoter and its affiliates for the years indicated:

Particulars	Fiscal					
	2021		2022		2023	
	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations
Revenue from Fortis Group Entities	1,287.85	12.44%	1,516.84	9.45%	1,622.37	12.04%

Our master service agreement with our Promoter is due to expire on March 31, 2024. The master service agreement also entitles either party to unilaterally terminate the agreement in the event of, amongst others, a material breach of the provisions of the master service agreement. Further, the agreement may be terminated upon mutual consent of the parties or can be extended on mutually agreed terms. Early termination or non-renewal by our Promoter of the master service agreement would have a significant impact on our revenues and our profitability.

Our Company and our Promoter have executed a binding term sheet dated September 25, 2023 for operating in-hospital laboratories and conducting on-site testing (“**Binding Term Sheet**”) at certain hospitals operated



by our Promoter and its affiliates. In terms of the Binding Term Sheet, the rates for the services rendered by our Company have been reduced as compared to the existing master service agreement. If these new reduced rates had hypothetically been applicable during Fiscal 2023, our revenue from Fortis Group Entities would have been lower by approximately 21% for Fiscal 2023. Going forward, once these reduced rates become applicable, they are expected to have an adverse impact on our revenues without a corresponding reduction in our costs, thereby affecting our profitability. As on the date of this Draft Red Herring Prospectus we are unable to quantify the exact adverse impact on our business, profitability, results of operations, financial condition and prospects as a consequence of these reduced rates. Pursuant to the Binding Term Sheet, parties have agreed that they shall discuss and enter into definitive agreements effectuating the commercial terms of the Binding Term Sheet, which shall be for a period of three years. We cannot assure you that this arrangement with the Promoter will thereafter be renewed or extended on the same commercial terms as outlined in the Binding Term Sheet or at all. Any non-renewal, termination or substantial changes in the agreed rates with our Promoter and/or its affiliates could lead to a material adverse effect on our business, profitability, results of operations, financial condition and prospects. Further, any deterioration, disruption or any other adverse condition in the business operations or strategies of our Promoter is likely to result in a material adverse effect on our business, profitability, results of operations, financial condition and prospects.

***11. Any interruption at our laboratories including our global reference laboratory (“GRL”) and regional reference laboratories (“RRLs”), customer touch points (“CTPs”) and pick-up points may affect our ability to process diagnostics tests, which in turn may adversely affect our business, results of operations and financial condition.***

As of March 31, 2023, we operated 413 laboratories (out of which three laboratories are situated outside India), 3,757 CTPs and over 12,000 pick-up points. For further information, see “*Our Business – Description of our Business*” on page 179. Certain of our tests can only be performed at our GRL and/or RRLs. Depending on the nature and complexity of tests required, test specimens are transferred from other laboratories to our GRL or RRLs for processing. Accordingly, any shutdown or interruption in the operations of our GRL and/or RRLs, or our inability to respond to such shutdown or disruption in a timely manner or at an acceptable cost, could adversely affect the operations of our overall diagnostic laboratory network in India as well as outside India.

We may experience interruption at our laboratories, CTPs and pick-up points, including due to external factors such as adverse weather conditions, natural disasters, fire, terrorism, vandalism, extended power failures, internet failures or changes in laws and regulations including pricing regulations, foreign exchange fluctuations and any increase in logistics or inputs costs such as chemicals and reagents, and internal factors such as loss of licenses, certifications and permits, failure to comply with regulatory requirements and the resulting loss of authorization to operate the facility, employee or manpower conflict or termination or non-renewal of leases, which may affect our ability to provide our service offerings in India or overseas, and could lead to an adverse effect on our business, results of operations and financial condition. For instance, in the first quarter of Fiscal 2021, our operations at most of our laboratories, CTPs and pick-up points were hampered due to the lockdown/ restrictions imposed on account of the COVID-19 pandemic. The occurrence of any such event in the future could also cause us to lose our customers (including due to a reduction in walk-in patients as patients may defer non-urgent diagnostic tests) and we may face significant increases in costs for test processing, transport and logistics which we may not be able to pass on to our customers. Our inability to effectively respond to such shutdown, interruption or to rectify any disruption, in a timely manner or at an acceptable cost, could lead to an adverse effect on our business, results of operations and financial condition. Further, we currently outsource a limited number of clinical tests to third parties. However, any interruption in our diagnostic laboratory network, particularly GRL and RRLs, may require us to increase our dependence on outsourcing of clinical tests, which may affect our ability to accurately and efficiently deliver test results, and may in turn result in an increase in our costs and as a result, adversely affect our business, results of operations and financial condition.

***12. Any inadequacy or delay in collection and transportation of specimens to our laboratories could compromise the integrity of such specimens, which in turn could adversely affect our business, results of operations and financial condition.***

The transportation of specimens from different sources (including patient residences, CTPs and pick-up points and other in-hospital laboratories and other diagnostic centers managed by us) to our laboratories is highly critical to our business operations, the logistics of which are subject to various uncertainties and risks. A key challenge in the operation of a laboratory network is the maintenance of specimen integrity and

turnaround time, particularly when tests are conducted by laboratories far away from the specimen collection point or otherwise difficult to reach from the patient residences, CTPs, pick-up points or the in-hospital laboratories and diagnostic centers managed by us. The pickup, transportation and delivery of specimens are subject to delays and disruptions due to inadequacies in the road or air infrastructure, weather related problems, natural disasters, strikes (including any other disruption due to conflicts in relation to trade unions and/or vendors), lock-outs, terrorism, or other events beyond our control and, in the case of our international operations, delays at customs check points. Any disruption in transportation and logistics services could affect our ability to receive specimens and generate test results in a timely manner. In addition, the specimen collection process is highly distributed, fragmented, and labor-intensive, and is dependent on the skill and focus of front-end healthcare professionals, such as phlebotomists. Any mix-ups, losses or errors in the specimen collection process including mislabeling of specimens can result in erroneous or invalid results and adversely affect the business and reputation of our Company.

Further, while we service our network through our in-house logistics team, we also rely on the services of third-party logistics providers, whose operations are not within our control. If we are unable to deliver or receive specimens at our laboratories in a timely manner, their integrity as well as the outcome of results may be compromised, or the reporting of results of tests to customers may be delayed. In the event specimens are lost, destroyed, damaged or contaminated or from delays in the generation of critical test results, and damage to our reputation and business, we may incur additional costs, such as the cost of re-administering tests or potential or threatened litigation, which may in turn lead to loss of customer confidence. The occurrence of any such event could adversely affect our business, results of operations and financial condition. While we have not faced any instances of inadequacies or delays in specimen collection which have led to any material adverse effect on our business and operations in Fiscals 2021, 2022 and 2023, there is no assurance that we will not face such instances in the future.

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

The diagnostic healthcare services industry is subject to constant innovations in, and improvements to tests and services, processes and technologies. Our ability to maintain our market share and attract new and repeat customers is subject to: (a) optimizing our staffing and procurement processes to predicting and controlling costs; (b) innovating, introducing and integrating new service offerings into our network in a timely manner; (c) minimizing the time and costs required to obtain required regulatory clearances or approvals; (d) anticipating and competing effectively with competitors, including pricing our services competitively; and (e) increasing end-customer awareness and acceptance of our services. While we have not faced any instances of failure to anticipate new market trends which led to any material adverse effect on our business and operations in Fiscals 2021, 2022 and 2023, any such events in the future, where we fail to anticipate trends in the industry, or we are unable to introduce or develop or acquire new or improved tests, services and technologies before or at least concurrently with our competitors and at competitive prices, our business, results of operations and financial condition may be adversely affected.

**14. *Our business depends significantly on the continued effectiveness of our information technology infrastructure including our centralized laboratory information management system (“CLIMS”), and any disruption in our systems could adversely impact our business, results of operations and financial condition.***

The efficient operation of our laboratories and other facilities depends on the capacity, reliability and security of our information technology infrastructure and management information systems. These systems, particularly *CLIMS*, is essential to our day-to-day operations including for test booking, specimen collection, digital reports, digital payments, accounting and financial reporting, billing and collecting accounts, compliance, medical records and inventory management. Further, our patients are able to avail our services through digital platforms including our website, WhatsApp chat bot and mobile application. Disruptions in our systems could occur for a variety of reasons including, among others, due to an increase in usage that strains our systems' capacity, failure of key software and hardware, the sudden loss of our network connection, other technological and power failures, computer viruses, fire, floods and natural disasters. In addition to our information technology infrastructure that is designed and maintained internally, we rely on certain third party information technology service providers, whose operations are not within our control. While we have not faced any such disruptions or changes to our information technology systems that led to a material adverse effect in Fiscals 2021, 2022 and 2023, any disruption in the continued effectiveness of our

information technology infrastructure in the future, and/or in case of our technology infrastructure becoming outdated or obsolete, could affect our business, results of operations and financial condition.

**15. We depend on third parties for our testing equipment and reagents. Any discontinuation or recall of existing testing equipment and/or reagents as well as the failure or malfunction of any of our equipment or termination of relevant agreements could adversely affect our business, results of operations and financial condition.**

We do not own the majority of our testing equipment and instead obtain such testing equipment on a lease basis. We enter into equipment and product supply agreements with third-party suppliers for the supply of a majority of our equipment, reagents, chemicals and consumables, that typically range between one and seven years. The remaining equipment and reagents, chemicals and consumables are procured by us through purchase orders. If we fail to achieve favorable pricing on equipment and reagent supplies or are unable to pass on any cost increases to our customers, our profitability could be materially and adversely affected. Further, the procurement cost of foreign produced testing equipment and reagents may increase due to depreciation of Indian Rupee, and the suppliers may therefore demand to re-negotiate the supply contracts with us. The following table sets forth information in relation to our cost of materials consumed for the years indicated:

Particulars	Fiscal					
	2021		2022		2023	
	(₹ million)	% of total expenses	(₹ million)	% of total expenses	(₹ million)	% of total expenses
Cost of materials consumed	2,876.20	31.13%	3,991.36	30.96%	3,159.79	26.05%

In addition, under the equipment placement agreements and reagent supply agreements, the supplier generally has the discretion to terminate the agreement with prior written notice in the event of a breach of any material term or condition of such agreement, including but not limited to defaults in payment of fees or in case of damage to equipment. Further, suppliers may discontinue or recall reagents, test kits, instruments or equipment, which could adversely affect our ability to conduct tests and accurately obtain test results as well as our credibility, costs, testing volume and income. Any inability on our part to find alternate sources for the procurement of such items, may have an adverse effect on our ability to provide our services in a timely or cost effective manner. For instance, in the first quarter of Fiscal 2021 during the COVID-19 pandemic, we faced difficulties in procuring certain reagents and as a result, were facing challenges in performing certain tests such as D-dimer, IL 6, ferritin tests.

Our operations also expose us to liability risks that are inherent in the operation of complex medical equipment which may experience failures or cause injury either because of defects, faulty maintenance or repair or improper use. Regardless of their merit or eventual outcome, such liability claims could result in significant legal defence costs for us, harm our reputation, and otherwise have a material adverse effect on our business, financial condition and results of operations. We cannot assure you that our existing equipment and technologies are error-free, and incapable of malfunctioning. While we have not faced any such instances in Fiscals 2021, 2022 and 2023, any extended downtime of our medical equipment or significant quality deterioration in our suppliers' products, services or equipment in the future could materially and adversely affect customer experience, which in turn could result in loss of revenues, dissatisfaction on the part of customers and damage to our reputation.

**16. Any non-renewal or cancellation of our arrangements with our institutional customers, including hospitals, and Public-Private Partnership ("PPP") contracts may adversely affect our business, results of operations and financial condition.**

We enter into long-term arrangements with certain hospitals through laboratory management agreements as well as PPP agreements with public health agencies, pursuant to which we conduct diagnostic tests and/or develop and operate diagnostics centers to conduct on-site testing. As of March 31, 2023 we have two subsisting PPP agreements with the governments of Delhi and Jharkhand for terms of two and ten years, respectively. We also have tie-ups with independent private healthcare setups including large and small-scale hospitals, clinics, nursing homes, private laboratories, radiology centers, diagnostics centers, IVF centers and other healthcare service providers to provide diagnostic services. In addition, we enter into agreements with other institutions such as corporate employers, and pharmaceutical and insurance companies to provide diagnostic services to their employees or clients as well as with contract research organizations and

pharmaceutical manufacturers to conduct clinical trials. Set out below are details of revenue generated from our B2B segment for the years indicated:

Segment	Fiscal					
	2021		2022		2023	
	Revenue from operations (₹ million)	% of total revenue from operations	Revenue from operations (₹ million)	% of total revenue from operations	Revenue from operations (₹ million)	% of total revenue from operations
B2B	5,325.61	51.45%	7,289.87	45.42%	6,157.10	45.69%

Our B2B customers are typically entitled to terminate or cancel such agreements voluntarily or with prior written notice (typically ranging between 30 and 90 days). Our B2B customers may decide to not renew our arrangements in the future. For instance, our PPP contracts with public health agencies in states of Uttar Pradesh and Himachal Pradesh ended after the tenure of our contracts expired in Fiscal 2020 and Fiscal 2023, respectively, and such contracts were not renewed since a fresh tender process was initiated by the respective public health agencies. In addition, the terms of the PPP contract with the Government of Jharkhand require our Subsidiary, Agilus Pathlabs Reach Limited, to obtain approval from the Government of Jharkhand (represented by the Medical and Health Infrastructure Development & Procurement Corporation Limited) (“**Authority**”) prior to any change in its name. While Agilus Pathlabs Reach Limited had applied to the Authority for consent for its change of name from its former name, this approval is currently pending. The Authority has claimed an amount of ₹ 41.75 million in relation to the concession fee due and payable by us as on March 31, 2023, in terms of the concession agreement entered into with the Government of Jharkhand. In a similar manner, we have claimed an amount of ₹ 60.56 million from the Authority which is due and payable to us as on March 31, 2023. Further, we have paid concession fees of ₹ 10.12 million on August 22, 2023. However, no legal proceeding has been initiated by us or the Authority in this regard and this matter is under discussion with the Authority. The Authority may terminate this concession agreement, which if terminated, may adversely affect our business, results of operations, financial condition and reputation. We are also exposed to risks such as rejection, delay or failure by such customers to make payment in relation to our services. An increase in rejection of payment claims or repeated failures by such customers to make payments may adversely affect our business, results of operations and financial condition. For details in relation to payment delays by our customers in the past, see, “ – *Internal Risks – Any increase in accounts receivables or other billing risks in the future could adversely affect our business, results of operations, financial condition and cash flows*” on page 55. Certain of such agreements also require us to comply with strict data protection and data privacy laws and any future non-compliance of such terms may subject us to indemnity provisions and other damages, which could lead to a material adverse impact on our financial condition. In addition, our customers under these agreements are typically responsible to maintain statutory and regulatory licenses and approvals required for their respective hospitals laboratories/diagnostic facilities. Any non-compliance by our customers to maintain such licenses and approvals could have an adverse impact on our business, revenue from operations and reputation.

Further, in relation to our PPP contracts, we participate in government tenders which are non-negotiable and typically include clauses such as liquidated damages. In addition, we are required to submit performance bank guarantees for participating in such tenders. Any non-compliance with the terms of such tenders may entitle the government to liquidate our bank guarantees which may have an adverse effect on our financial condition. Further, any shortcoming in the performance of our obligations may subject us to the risk of being blacklisted by the relevant public health agencies and affect our ability to obtain additional PPP and other government tenders. While we have not faced any instances of cancellation of our arrangements with B2B customers which led to a material adverse effect on our business and operations in Fiscals 2021, 2022 and 2023 and have not been blacklisted by any government agency in the past three years, there can be no assurance that such events may not occur in the future. Any occurrence of such events in the future may adversely affect our business, results of operations and financial condition, including our ability to obtain additional PPP and/or other government tenders in the future.

- 17. We operate all of our collection centres and some of our laboratories through franchisees and two of our laboratories through a joint venture partner. Any non-performance by our franchisees or joint venture may adversely affect our business, results of operations and financial condition.**

Our business depends on the performance of our franchisees, who may be responsible for setting up laboratories, CTPs and other facilities, obtaining required permissions, permits and approvals for setting up the laboratories, CTPs and other facilities, procuring equipment instruments and supplies, recruiting

healthcare professionals, operating and managing laboratories, CTPs and other facilities, and sourcing specimens for providing diagnostic healthcare services. As of March 31, 2023, out of our 413 laboratories, 37 laboratories (representing 8.96%) were operated by franchisees. Further, as of March 31, 2023, out of our 3,757 CTPs, all our 3,248 collection centers (representing 94.45%) were operated by franchisees. There can be no assurance that the performance of such franchisees will meet our required specifications or performance parameters.

Our franchisees are contractually obligated to operate their laboratories and/or collection centers in accordance with the standards prescribed by our Company from time to time. However, franchisees are independent third parties over which we do not have control, and the franchisees unilaterally operate and oversee the daily operations of their clinical laboratories and collection centers. As a result, the ultimate success and quality of our franchised network rests with the respective franchisee laboratories and collection centers. Moreover, there can be no assurance that our franchisees will not enter into agreements with our competitors despite non-compete restrictions in our agreements. In addition, any non-compliance by our franchisees of statutory and government regulations, may have an adverse impact on our reputation and may impact customer confidence in our brand. As a result, our growth, results of operations and the integrity of our brand name in these areas is dependent on the performance of these franchisees. While we have not experienced any instances of inadequate or non-satisfactory performance of laboratories or collection centers by our franchisees or disputes with our franchisees in Fiscals 2021, 2022 and 2023 that have led to a material adverse effect on our business, reputation and operations, there can be no assurance that such events may not occur in the future. Additionally, there can be no assurance that our franchisees will be able to generate adequate revenue consistently, and we may be exposed to credit risks associated with non-payment or untimely payments from our franchisees and business partners.

Further, we also have a Joint Venture, Agilus Diagnostics Nepal Private Limited, which operates two of our laboratories in Nepal. For further information, see “*History and Certain Corporate Matters – Other Material Agreements*” on page 205. Our joint venture partner may have business interests that are inconsistent with the business interests of our Company. Collaboration with joint venture partners subjects us to risks that may be outside our control. Our joint venture partner is subject to the risk of potential disputes leading to adverse publicity related to our joint venture partner which may adversely affect our business and reputation, whether or not such publicity is related to their collaboration with us. While we have not experienced any disputes with our joint venture partner in Fiscals 2021, 2022 and 2023, any disputes that may arise between us and our joint venture partner in the future may cause delay in completion, suspension or complete abandonment of the relevant laboratory.

We also operate certain laboratories under our sub-brands due to their popularity in their respective regions across the country. The success of these laboratories is partially dependent on the popularity of the doctors involved in such laboratories, whose names typically form part of such sub-brands. There is no assurance that such doctors will not discontinue their professional service, which may adversely impact the popularity of these laboratories, affecting our business, results of operations and financial position.

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

Set out below are details of revenue generated from our B2C segment (i.e., individual patients, who either walk into our diagnostics laboratories and CTPs or use our home collection services) for the years indicated:

Segment	Fiscal					
	2021		2022		2023	
	Revenue from operations (₹ million)	% of total revenue from operations	Revenue from operations (₹ million)	% of total revenue from operations	Revenue from operations (₹ million)	% of total revenue from operations
B2C	5,025.12	48.55%	8,759.24	54.58%	7,317.52	54.31%

The growth of these types of customers is dependent on brand recognition, wider acceptance of our business in the communities in which we operate and our ability to compete effectively within our industry, all of which may be negatively affected by a wide variety of reasons. For further information, see “- *Internal Risks – Any failure to establish our new brand may adversely affect customer confidence in our services or our inability to maintain and enhance our brand and reputation or any negative publicity and allegations, may*

*have an adverse impact on our business, reputation, results of operations and financial condition.*” on page 37. Individual decisions regarding when to access healthcare services may be impaired by the absence of a developed health insurance sector or the lack of appropriate government programs to cover the costs of healthcare. Only 38% of the Indian population were covered by health insurance in Fiscal 2022 (*Source: CRISIL Report*), and given such small proportion of people in India presently with health insurance, customers in India generally are responsible for all or part of the cost of diagnostic healthcare services, which means that a decrease in disposable income that can be allocated for healthcare services, or even the perception thereof, such as during times of economic downturn, can lead to a reduction in individuals’ expenditures for healthcare services. In addition, while according to the CRISIL Report, the COVID-19 pandemic has resulted in an increased awareness of self-testing, particularly in relation to preventive and wellness services, we cannot assure you that such current increase in health awareness and demand for preventive healthcare services will continue, and it may even reverse. Any of the above reasons may affect our ability to maintain or increase growth in individual patients, which may adversely affect our business, financial condition, results of operations and cash flows.

Further, the transition to the new brand may adversely impact the brand recognition, especially by our individual customers, which in turn may adversely affect our revenue, business, results of operations and financial condition.

**19. *We are highly dependent on our healthcare professionals and any future inability to retain or recruit such professionals may adversely affect our business, results of operations and financial condition.***

The growth of our business significantly depends on our ability to attract, train and retain qualified and experienced healthcare professionals including doctors, technicians and other paramedical staff. As of March 31, 2023, we had a total of 7,061 employees, including 438 doctors, 4,176 technicians and paramedical staff and 2,447 support staff located in India, out of which 84 full-time employees are located outside India. In addition, out of our 438 doctors, 336 are engaged as consultants with our Company, as of March 31, 2023.

There is no assurance that the attrition among our healthcare professionals will not increase in the future. We enter into agreements with our healthcare professionals which may be terminated by them by serving a notice of typically one month. There is no assurance that we will be able to retain our healthcare professionals, in particular our pathologists, physicians, radiologists, phlebotomists and technicians, or that our healthcare professionals will continue to provide services to us or devote the whole of their time to our diagnostic centers or that they will not prematurely terminate their agreements.

Further, given the high demand of skilled healthcare professionals and an increase in competition with other healthcare service providers, we may also be unable to negotiate compensation of our healthcare professionals effectively or pass on any of such cost increases to the patients. On the other hand, if we are unable to offer our healthcare professionals, including doctors, competitive fees, salaries and perquisites, our relationship with them may deteriorate and consequently, we may be unable to retain them. In the event we experience such 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 and results of operations.

While we have not experienced any instances of termination of contracts by our healthcare professionals or inability to retain healthcare professionals in Fiscals 2021, 2022 and 2023 that have led to a material adverse effect on our business, reputation and operations, there can be no assurance that such events may not occur in the future. Failure to attract and retain sufficient qualified healthcare professionals could adversely affect the quality of our services and in turn affect our business, results of operations and financial condition.

**20. *The COVID-19 pandemic increased the demand for RT-PCR and other COVID-19 related tests which led to a positive impact on our revenue from operations. Such historical increase in our results of operations may not be indicative of our future results of operations and financial condition.***

During the COVID-19 pandemic, we increased our testing capacity, opened more centers and drive-through sites across India in Fiscals 2021 and 2022. We also conducted 2.95 million and 7.90 million RT-PCR tests and other tests (such as C-Reactive Protein and D-dimer) in Fiscal 2021 and Fiscal 2022, respectively, the demand for which increased due to COVID-19 pandemic. As a result, we generated a significant amount of revenue from RT-PCR tests and such other related tests during this period. In Fiscals 2021 and 2022, COVID-

19 related revenue amounted to ₹3,239.18 million and ₹4,527.28 million, respectively, accounting for 31.29% and 28.21%, respectively, of our revenue for operations in the same years. However, subsequently, in Fiscal 2023, we witnessed a decline in the volumes of such RT-PCR tests and other COVID-19 related tests. The number of RT-PCR tests and other COVID-19 related tests decreased to 1.59 million in Fiscal 2023 and as a result, COVID-19 related revenue amounted to ₹587.36 million, accounting for 4.36% of our revenue from operations in Fiscal 2023. Accordingly, the additional revenue generated through RT-PCR tests and other COVID-19 related tests in Fiscals 2021 and 2022 would not be indicative for future periods. Moreover, on May 5, 2023, the World Health Organization announced that COVID-19 no longer qualifies as a global health emergency. Given the likelihood of a reduced need for COVID-19 related tests, there can be no assurance that the surge in our revenue from operations owing to the pandemic will not abate, which may affect our business, results of operations and financial condition.

Additionally, the impact of any similar epidemic or pandemic in the future may include instances such as reduction in walk-in patients due to patients deferring non-urgent diagnostic tests, increase in costs for logistics or inputs such as chemicals and reagents, non-availability of equipment, testing supplies and key personnel and delay in renewal or obtaining the necessary registrations, approvals, licenses and permits from statutory/ regulatory authorities in a timely manner. We cannot predict the impact of any such outbreak of another highly infectious or contagious disease which may adversely impact our business, financial condition and results of operations. Further, it may also have the effect of exacerbating many of the other risks described in this “Risk Factors” section.

**21. We are exposed to risks associated with our operations outside India such as compliance with local laws and foreign exchange rate fluctuations which could adversely affect our business, results of operations and financial condition.**

In addition to India, we have presence in various other regions in the Middle East, Sub-Saharan Africa, Commonwealth of Independent States and the SAARC regions. For further information, see “Our Business – Description of our Business – International Operations” on page 182. Set out below are details of our revenue from operations from rest of the world for the years indicated:

	Fiscal					
	2021		2022		2023	
	Revenue from operations (₹ million)	% of total revenue from operations	Revenue from operations (₹ million)	% of total revenue from operations	Revenue from operations (₹ million)	% of total revenue from operations
Total other countries	209.83	2.03%	491.57	3.06%	303.93	2.26%

Our operations subject us to risks that are specific to each country and region in which we operate as well as risks associated with international operations in general such as foreign exchange rate risks, arising primarily from our receivables. While we have adopted a formal hedging policy, any adverse social, economic and geopolitical conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action or adverse weather conditions in these regions could affect our business and operations. In addition, compliance with local laws, including legal constraints on ownership and corporate structure, environmental, health, safety, labor and accounting laws, may impose onerous and expensive obligations on us. While we have not faced any material non-compliance with local laws or any impact of foreign exchange fluctuations in Fiscals 2021, 2022 and 2023 that led to a material adverse impact on our business and operations, there is no assurance that any non-compliance with local laws will not occur or any foreign exchange fluctuations will not affect our financial performance in the future. In addition, we conduct business with certain customers in sanctioned countries such as Russia, Sudan and Afghanistan and we may be subject to violations of sanctions laws or other similar regulations, exposing us to potential civil or criminal penalties or sanctions designations under applicable sanctions laws.

**22. The diagnostics industry in India is highly competitive and our inability to compete effectively from other healthcare service providers may adversely affect our business, results of operations and financial condition.**

With low barriers to entry and several diagnostic companies present in the market, the diagnostics industry in India is highly competitive and presents us with a challenge in terms of market share and profitability. Our competitors include other diagnostic chains, such as, Dr Lal PathLabs Limited, Metropolis Healthcare

Limited, (*Source: CRISIL Report*) and various smaller, independent clinical and anatomical laboratories as well as laboratories owned by hospitals and physicians including standalone and regional players. Some of our competitors may have greater financial, research and development, marketing and other resources, broader service offerings, more experience in obtaining regulatory approvals or greater geographic reach.

Further, an increase in the number of comparable diagnostic healthcare facilities may exert additional pricing pressure on some or all of our services. In addition, we may price our services differently in different regions of India, which may lead to customer dissatisfaction. Our competitors may also succeed in providing services that are more effective, popular or cheaper than ours, which may render our services uncompetitive. For instance, as a result of the diagnostic healthcare services industry receiving substantial investments in recent years, larger-scale diagnostic healthcare providers are able to increase cost efficiencies afforded by automated testing, which results in their ability to provide more favorable pricing to customers. Our competitors may also succeed in offering increased fees/salaries to our healthcare professionals, including doctors, which may significantly affect our ability to retain our healthcare professionals. If we are unable to compete effectively, our business, results of operations and financial condition could be adversely affected.

**23. *An inability to keep pace with technological changes including cost-effective technologies or non-invasive diagnostic healthcare tests, and evolving industry standards could adversely affect our business, results of operations and financial condition.***

The diagnostics services industry is characterized by periodic technological changes, new equipment and service introductions, changes in patients' needs and evolving industry standards. Advancements in technology may lead to the development of more cost-effective technologies or non-invasive diagnostic healthcare tests which are more convenient and/or less expensive than our current solutions, such as point-of-care testing equipment that can be operated by physicians or other healthcare providers in their offices or by patients themselves without requiring the services of free-standing clinical laboratories. Development of such technology and its use by our customers could reduce the demand for our laboratory testing services and negatively affect our revenues. The diagnostics equipment we use as part of our business has a limited life span, and may also become obsolete. Further, suppliers of laboratory equipment and test kits could seek to increase their sales by marketing point-of-care laboratory equipment to physicians and by selling test kits approved for home use to both physicians and patients. While we have not faced any such instances of inability to keep pace with technological changes or obsolete technology that led to a material adverse impact on our business and operations in Fiscals 2021, 2022 and 2023, there can be no assurance that such events may not occur in the future.

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

The diagnostics industry is a manpower-intensive sector and we employ a large number of healthcare professionals for providing services to our customers. As of March 31, 2023, we had a total of 7,061 employees, including 438 doctors, 4,176 technicians and paramedical staff and 2,447 support staff located in India, out of which 84 full-time employees are located outside India. Further, India has stringent labor 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 the employees of our facilities are unionized. In the event of any changes in the labor legislation in India or if our employees seek to unionize in the future, it may become difficult for us to maintain flexible labor policies, and it may increase our costs and adversely affect our business. While we have not experienced any instances of labor unrest in Fiscals 2021, 2022 and 2023, there is no assurance that instances of labor unrest, slowdowns or work stoppages will not occur in the future, and any disruption in services due to any potential strikes, may adversely affect our business, results of operations and financial condition. Further, we are also required to comply with minimum wage requirements which vary from State to State. In the event of unexpected increase in rates of minimum wage, our results of operations and financial condition may get adversely impacted.

**25. *Our inability to effectively manage our growth or to successfully integrate our acquisitions, strategic investments, partnerships or alliances may adversely affect our business, results of operations and financial condition.***



We have significantly expanded our operations and service offerings, and have experienced considerable growth over the last few years. Set out below are the number of laboratories and CTPs operated by us as of the dates indicated:

Particulars	As of and for the year ended March 31,		
	2021	2022	2023
Number of laboratories	420	423	413
Customer touch points (CTPs)	2,250	3,050	3,757

However, there is no assurance that our growth strategy will continue to be successful or that we will be able to continue to grow further, or at the same rate.

We may from time to time, look for opportunities to acquire businesses or enter into strategic partnerships or alliances, which may include opportunistic acquisitions of clinical laboratories and related businesses. For more information on our acquisitions and partnerships, see “*Our Business – Strategies – Supplement organic growth with selective strategic acquisitions and partnerships*” on page 179. Significant capital investments are necessary to construct clinical laboratories, particularly our GRL and RRLs (due to their size) and any such future construction is likely to have a material impact on our results of operations during the period of such construction and the initial post-opening period, during which each clinical laboratory is being fully integrated into our network. If we choose to grow through acquisitions, strategic investments, partnerships or alliances, we may face risks including, among others, difficulties integrating the personnel, operations, technology, internal controls and financial reporting of companies we acquire into our operations, disruption of our ongoing business, diversion of the attention of our management and/or unforeseen or hidden liabilities or costs post-acquisition/ investment. In addition, acquisitions and investments may result in impairment of goodwill and other intangible assets, adversely affecting our financial condition and results of operations. While we have not faced any instances of inability to manage our growth or integrate our acquisitions or partnerships in Fiscals 2021, 2022 and 2023 that led to any material adverse effect on our business and operations, any such instances in the future could disrupt our ongoing business, distract our management and employees and increase our expenses. We may also not be able to achieve the strategic purpose of such acquisition, investment, partnership, alliance or operational integration or our targeted return on investment.

**26. *We are subject to seasonal fluctuations in operating results and cash flows, which could affect our business, results of operations and financial condition.***

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

**27. *Our customers may contract serious communicable infections or diseases during their visits at our diagnostics facilities which may adversely affect our business, results of operations and financial condition.***

Our operations involve the visit of patients at our facilities, including for specimen delivery and radiology tests, who may be carriers of a variety of infectious diseases. Individuals may contract serious communicable diseases during their visit at our diagnostics facilities, which could result in significant claims for damages against us and, as a result of reports and press coverage, damage to our reputation. For example, diseases or infections such as tuberculosis and COVID-19 may pose risks. Further, our employees and other healthcare professionals are also susceptible to such diseases and their infection could significantly reduce the manpower at our facilities. While we have not been subject to such complaints from patients in Fiscals 2021, 2022 and

2023 that led to any material adverse effect on our business and operations, there is no assurance that we will not receive such claims in the future. In addition to claims for damages, any of these events may lead directly to regulatory restrictions on, or the withdrawal of, permits and authorizations of our facilities. Any of these factors could have a material adverse effect on our reputation, business, results of operations and financial condition.

### **Financial Risks**

**28. Our insurance coverage may not be adequate to cover all our losses, which could have an adverse effect on our business, financial condition and results of operations.**

Our operations are subject to inherent risks of medical negligence, malpractice, personal injury and loss of life, damage to or destruction of property and machinery and damage to the environment, and are subject to risks such as fire, riots, vandalism, theft, flood, earthquakes and terrorism. We may also be subject to claims in relation to employee health, accident and other uncertain claims from our customers and external entities. Some of our claims could exceed the scope of the coverage in effect or coverage of particular claims could be denied. While we believe our insurance coverage has been adequate in the past, there can be no assurance that our insurance coverage will be sufficient to cover all future claims. However, during the period between July 7, 2022 to September 1, 2022, our Company did not have a subsisting professional indemnity policy, accordingly, any claims that may arise with respect to such period, will need be defended by us without any insurance coverage. If our arrangements for insurance or indemnification are not adequate to cover claims, we may be required to make substantial payments and our financial condition and results of operations may be adversely affected. Additionally, such insurance 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. If we were to make a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. If our losses significantly exceed our insurance coverage or cannot be recovered through insurance, our business, results of operations and financial condition could be adversely affected.

The following table sets forth information in relation to our insurance cover as of the years indicated:

<b>Particulars</b>	<b>As of March 31, 2021</b>	<b>As of March 31, 2022</b>	<b>As of March 31, 2023</b>
Total insurance cover on total assets of the Company (excluding intangible assets, goodwill, right of use assets, deferred tax assets and other tax assets) (₹ million) (A)	11,633.72	11,142.33	13,684.87
Total assets of the Company (excluding intangible assets, goodwill, right of use assets, deferred tax assets and other tax assets) – As restated (₹ million) (B)	10,318.86	9,631.81	9,520.14
<b>Insurance cover (%) (A/B)</b>	<b>112.74%</b>	<b>115.68%</b>	<b>143.75%</b>

Any payments we make to cover any losses, damages or liabilities or any delays we experience in receiving appropriate payments from our insurers could have a material adverse impact on our business, results of operations and financial condition. For further information, see “Our Business – Insurance” on page 190. All our insurance policies are subject to renewal and our inability to renew the policies on time and on present terms may also have an impact on our business, results of operations and financial condition.

**29. Our indebtedness and the conditions and restrictions imposed by our financing agreements and any non-compliance may lead to, among others, suspension of further drawdowns, which may adversely affect our business, results of operations and financial condition.**

Set out below are details of our outstanding borrowings for the dates indicated:

<b>Particulars</b>	<b>As of March 31,</b>		
	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>(₹ million)</b>		
Borrowings (current)	2.83	6.39	9.33
Borrowings (non-current)	9.70	16.12	18.96

<b>Total borrowings</b>	<b>12.53</b>	<b>22.51</b>	<b>28.29</b>
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Our ability to pay interest and repay the principal for our indebtedness is dependent upon our ability to manage our business operations and generate sufficient cash flows to service such debt. Our outstanding indebtedness and any additional indebtedness we incur may have significant consequences, including, without limitation: requiring us to use a significant portion of our cash flow from operations and other available cash to service our indebtedness, thereby reducing the funds available for other purposes, including capital expenditures, acquisitions, and strategic investments; reducing our flexibility in planning for or reacting to changes in our business, competition pressures and market conditions; and limiting our ability to obtain additional financing for working capital, capital expenditures, acquisitions, share repurchases, or other general corporate and other purposes.

Some of the financing arrangements entered into by us include conditions that require our Company to obtain respective lenders' consent prior to carrying out certain activities. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, among others, changes to the capital structure of the Company, changes to the management of the Company and changes in the MoA and AoA of the Company. Failure to comply with such covenants or obtain consents may restrict or delay certain actions or initiatives that we may propose to take from time to time and could have significant consequences on our business and operations. Some of our lenders are also entitled to appoint directors on the Board of our Company. In addition, we have also availed loans which may be recalled at any time at the option of such lenders. Such recalls on borrowed amounts may also be contingent upon happening of an event beyond our control and there can be no assurance that we will be able to persuade our lenders to give us extensions or to refrain from exercising such recalls which may adversely affect our operations and cash flows. While we have not faced any instances of breach of financial covenants that led to a material adverse effect in Fiscals 2021, 2022 and 2023, any failure on our part in the future to satisfactorily observe the covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, suspension of further access/withdrawals, either in whole or in part, for the use of the facility and/or restructuring of our debt.

**30. Any increase in accounts receivables or other billing risks in the future could adversely affect our business, results of operations, financial condition and cash flows.**

Our business depends on our ability to successfully obtain payments from our customers for services provided. In the future, if we bill corporate customers, physician offices or hospitals other than on a fee-for-service basis, our income could be adversely affected. While our B2C customers typically make payments at the time of test bookings, our B2B customers make payments in accordance with their respective contractual requirements. We provide a maximum credit period ranging between an average of seven days and 90 days to all our B2B customers. The following tables set forth certain information in relation to our total trade receivables for the periods indicated:

Particulars	Fiscal					
	2021		2022		2023	
	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations
Trade receivables	1,442.12	13.93%	1,495.46	9.32%	1,431.49	10.62%

Particulars	As of March 31, 2023					
	More than three years	Two to three years	One to two years	Six months to one year	Less than six months	Not due
	(₹ million)					
Gross trade receivables that were outstanding for a period	501.64	158.19	219.68	163.15	429.01	745.23

While our concentration of credit risk is limited due to our large customer base, recovery of our receivables and timely collection of payments due to us depends on our ability to provide our services in an efficient and timely manner. In relation to our B2B segment, if we are unable to meet our contractual requirements, we may experience delays in collection of and/ or be unable to collect our payments altogether on account of termination of such contracts. Previously, our Company has experienced delays in payments with certain

governmental agencies. For instance, the Company has not received certain outstanding amounts under our earlier PPP contracts executed with the governments of Himachal Pradesh and Uttar Pradesh, respectively, negotiations for which are currently ongoing. In addition, we have certain outstanding payments under our existing PPP agreement with the Delhi government as of March 31, 2023. An increase in bad debts or defaults by customers in the future may compel us to utilize greater amounts of our operating working capital which may result in increased interest costs, thereby adversely affecting our business, results of operations and financial condition. Further, in the event of defaults by our international customers, we may not be able to initiate recovery proceedings against them or otherwise successfully recover dues.

**31. 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.**

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. For further information, see “Dividend Policy” on page 240. Our Company declared dividends of ₹4.75 per equity share and ₹2.98 per equity share for Fiscals 2022 and 2023, respectively. Our Company did not declare any dividend in Fiscal 2021. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders’ investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

**32. If we are unable to raise additional capital, our business, results of operations and financial condition could 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 resources for our current operations or any future expansion plans that we may have. As of June 30, 2023, the Company had an amount of ₹553.04 million sanctioned in working capital loans, out of which we have availed facilities amounting to ₹14.50 million as of the same date. While we expect our cash on hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, the inability to obtain sufficient financing could adversely affect our ability to complete 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 unfavorable change to terms of borrowings may adversely affect our business, 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.

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

The following table and notes below sets forth the principal components of our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, as of March 31, 2021, 2022 and 2023:

(a) Claims against the Group, disputed by the Group, not acknowledged as debt:

Particulars	As of March 31,		
	2021	2022	2023
	Amount (₹ million)		
Income tax	2,535.43	2,620.84	2,712.63
Medical related	524.45	534.11	560.82
Service tax	8.14	96.59	96.59
Others	0.50	17.26	41.75
Customs	-	0.14	-
Total	3,068.52	3,268.94	3,411.79

- (b) Further refer claims assessed as contingent liability are described in Notes 56, 57 and 58 of the Restated Consolidated Financial Information.
- (c) The Group has received a claim of ₹93.50 million from an ex-employee alleging certain dues payable by the Group to him in respect to his variable pay, provident fund and ESOPs. The ex-employee has also filed a similar claim of ₹192.30 million on Fortis. Subsequently, the claimant has filed a petition with National Company Law Tribunal (NCLT) and revised his claim amount to ₹363.78 million. The Group has filed the response to the petition on merits submitting that the Petition is not maintainable either under facts or law. The matter is currently pending with National Company Law Tribunal.
- (d) On February 28, 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers (the India Defined Contribution Obligation) altered historical understandings of such obligations, extending them to cover additional portions of the employee's income to measure obligations under employees Provident Fund Act, 1952. There are numerous interpretative issues relating to this judgement as to how the liability should be calculated, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. As such, the Group has been legally advised not to consider that there is any probable obligations for periods prior to date of aforesaid judgment.
- (e) Further, Note 53 of the Restated Consolidated Financial Information for contingent liabilities relates to joint venture.

Additionally, the Group is involved in other disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business.

The Group believes that none of the above matters either individually or in aggregate, are expected to have a material adverse effect on its financial statements. The cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various stages/forums.

Our contingent liabilities may become actual liabilities. If a significant portion of these liabilities materialize, it could have an adverse effect on our business, results of operations and financial condition. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future. For further information, see "*Restated Consolidated Financial Information*" on page 241.

**34. *We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry we operate.***

Certain non-GAAP financial measures, such as EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, PAT Margin, Return on Equity, Return on Capital Employed, Net Asset Value per Equity Share, Net Worth and certain other industry measures relating to our operations and financial performance, such as, average revenue per test, revenue per accession, CTP per laboratory, have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other industry related statistical and operational information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of similar businesses, many of which provide such non-GAAP financial measures and other industry related statistical and operational information. These non-GAAP financial measures and such other industry related statistical and operational information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial and operational measures, and industry related statistical information of similar nomenclature that may be computed and presented by other similar companies.

Further, we track such operating metrics with internal systems and tools, which have a number of limitations, and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to

track these metrics undercount or over count performance or contain algorithmic or other technical errors, the data we report may not be accurate.

Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our Restated Consolidated Financial Information disclosed elsewhere in this Draft Red Herring Prospectus. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures*” on page 345.

**35. *We have in the past entered into related party transactions and will continue to do so in the future and we cannot assure you that we could not have achieved more favorable terms if such transactions had not been entered into with related parties.***

We have in the past entered into transactions with certain of our related parties and are likely to do so in the future. For details in relation to our relation party transactions, see “*Summary of the Offer Document – Summary of related party transactions*” and “*Related Party Transactions*” on pages 24 and 314.

For further information relating to our related party transactions, see “*Related Party Transactions*” on page 314. While we believe that all such transactions have been conducted on an arm’s length basis, we cannot assure you that we could not have obtained more favorable terms had such transactions been entered into with unrelated parties. Although all related party transactions that we may enter into post-listing will be subject to board or shareholders’ approval, as necessary under the Companies Act and the SEBI Listing Regulations, we cannot assure you that such transactions in the future, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

**36. *Our Statutory Auditors have included certain emphasis of matters, an audit qualification relating to maintenance of proper books of account and matters prescribed under the Companies (Auditor’s Report) Order, 2020 and Companies (Auditor’s Report) Order, 2016 in the audit reports of our Company.***

The audit reports of our Company for Fiscals 2021, 2022 and 2023 includes emphasis of matters in relation to certain ongoing legal proceedings including an investigation by the Serious Fraud Investigation Office of the Ministry of Corporate Affairs regarding certain alleged improper transactions and non-compliances with laws and regulations including the Companies Act and civil suits by third parties against our Company and certain entities within the Fortis Group relating to “Fortis”, “SRL” and “La-Femme” brands. For further information, see “- *Internal Risks – Our Promoter, Fortis Healthcare Limited, is subject to certain regulatory and statutory proceedings, including an appeal pending before the Securities Appellate Tribunal and an ongoing investigation by the Serious Fraud Investigation Office for certain alleged improper transactions and non-compliance with applicable laws and regulations including the Companies Act. Any prolonged proceedings or adverse outcome of such proceedings in the future may have an adverse impact on our business and reputation*” and “*Outstanding Litigation and Other Material Developments – Litigation involving our Promoter – Litigation against our Promoter – Other material proceedings against our Promoter*” on pages 39 and 370. In addition, the audit report for our Company for Fiscal 2023 includes an audit qualification in relation to maintenance of proper books of account in electronic mode for one our laboratories, which have not been kept on servers physically located in India on a daily basis. The annual report of our Company for Fiscal 2023 includes a management response to this audit qualification and mentions that going forward, the data in the relevant laboratory will be stored in a server so that a log of backup is demonstrated. For further information, see “*Restated Consolidated Financial Information*” on page 241.

Further, the audit reports of our Company also include matters prescribed under the Companies (Auditor’s Report) Order, 2020 and Companies (Auditor’s Report) Order, 2016 for Fiscals 2023, 2022 and 2021, in relation to our Company and certain Subsidiaries, namely, Agilus Pathlabs Private Limited, Agilus Pathlabs Reach Limited and DDRC Agilus Pathlabs Limited. These matters include discrepancies between the quarterly financial statements submitted to the lenders and the books of accounts of the relevant entity, title deeds with respect to certain properties that are disclosed in the financial statements and are not held in the relevant entity’s name, provident fund dues outstanding for a period of more than six months from the date they become payable, other dues under the Income Tax Act, 1961 and Finance Act, 1994 in relation to disallowance of discounts given to collection centers, consultation fees paid to doctors considered as referral fees and certain other disallowances, and disputes regarding tax deducted at source and nature of business and cash losses incurred in the previous financial year. Further, the Restated Consolidated Financial

Information state that the financial conditions of Agilus Diagnostics FZ LLC, one of our Subsidiaries, indicate that a material uncertainty exists that may cast significant doubt on its ability to continue as a going concern. For further information, see “*Restated Consolidated Financial Information*” on page 241. We cannot assure you that our Statutory Auditors’ reports for any future financial period will not contain similar matters or other remarks, observations or other matters prescribed under Companies (Auditor’s Report) Order, 2020, and that such matters will not otherwise affect our results of operations.

#### ***Other Risks***

***37. Our Promoter will continue to retain significant shareholding in our Company after the Offer, which will allow it to exercise significant influence and control over us.***

After the completion of the Offer, our Promoter will continue to hold approximately 57.11% of our post-Offer Equity Share capital on a fully diluted basis. Accordingly, our Promoter will continue to exercise significant influence and control over our business and matters requiring shareholders’ approval, such as the appointment of directors on our Board, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets and dividend payments. The interests of our Promoter, as our Company’s significant Shareholders, could be different from the interests of our other Shareholders, and its influence may result in change of management or control of our Company, even if such a transaction may not be beneficial to our other Shareholders. In addition, the trading price of our Equity Shares could be adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in our Promoter.

***38. One of our Senior Management Personnel has interests in our Company other than normal remuneration or benefits and reimbursement of expenses.***

One of our Senior Management Personnel, Radhakrishna Pillai, is interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of his holding of employee stock options in our Company. For further information on the interest of our Senior Management Personnel, other than reimbursement of expenses incurred or normal remuneration or benefits, see “*Our Management - Shareholding of our Key Managerial Personnel and Senior Management Personnel*” on page 229.

***39. Our Promoter and some of our Directors may have interest in entities, which are in businesses similar to ours.***

As of the date of this Draft Red Herring Prospectus, our Promoter, is engaged in the business of providing integrated healthcare delivery services such as healthcare, diagnostics and related businesses. All of our Directors, except Anand Kuppaswamy, are also on the board of directors of our Promoter. In addition, some of our Directors also hold directorship in certain companies that are engaged or authorized to engage in business similar to our Company. Further, our Subsidiaries are also engaged in a similar line of business as ours and certain of our Directors are also on the board of our Subsidiaries. For details of the other directorships of our Directors, see “*Our Management – Board of Directors*” on page 212. As on date of the Draft Red Herring Prospectus, we believe, there is no conflict of interest of our Promoter or Directors vis a vis our business. However, there is no assurance that our Promoter and such Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in future. Such factors may have an adverse effect on our business, results of our operations and financial condition.

***40. Our Registered Office, Corporate Office and most of our laboratories and other facilities are not owned by us and are leased by us. Any failure to enforce or renew our lease agreements, may have an adverse impact on our business, results of operations and financial condition.***

Our Registered Office, Corporate Office, all our laboratories (apart from our GRL in Mumbai at Maharashtra, which is situated on premises owned by us), patient service centers (apart from our patient service centre in Kolkata at West Bengal, which is situated on premises owned by us) and wellness centers, are operated on premises leased or licensed to us. Our Registered Office is owned by Escorts Heart and Super Specialty Hospital Limited, a member of our Promoter Group, which is occupied by us on a leasehold basis. In this regard, our Company and Escorts Heart and Super Specialty Hospital Limited have entered into a lease deed dated September 25, 2023 which is valid for a period of 11 months. For further information, see “*Our Business – Property*” on page 240. Our lease/ leave and license agreements typically have tenures ranging from three and nine years. We are also subject to lock-in provisions under some of our lease/ leave and license

agreements, which in certain cases lasts up to five years and during which period neither party can terminate the agreement except as provided in such agreement. Further, even though most of these lease/leave and license agreements provide for an option to renew, this option to renew is on mutually agreed terms. If any of our counterparties do not renew the agreements under which we occupy the relevant premises or will only renew such agreements on terms and conditions that may be unfavorable to us, or our counterparties were to terminate the lease, we may not be able to procure a property similar to the one where we currently operate and may suffer a disruption in our operations or may have to pay increased rental rates which could have a material adverse effect on our business, results of operations and financial condition. While we have not faced any non-renewal or termination of our lease agreements which led to a material adverse effect on our business and operations in Fiscals 2021, 2022 and 2023, there is no assurance that such events will not occur in the future.

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

**41. We are dependent upon the experience and skill of our management team, a number of Key Managerial Personnel and Senior Management Personnel. If we are unable to attract or retain such qualified personnel, this could adversely affect our business, results of operations and financial condition.**

Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Without a sufficient number of skilled employees, the quality of our services could suffer. Competition among diagnostics service providers for qualified professionals is intense, and the ability to retain and attract qualified individuals is critical to our success. Our incentive initiatives may not be sufficient to retain our personnel and hence we may be required to increase our levels of employee compensation more rapidly than in the past in order to remain competitive in retaining existing employees or attracting new employees that our business requires. Our Company may explore a cash bonus payment plan to incentivise and retain employees including certain Key Managerial Personnel and Senior Management Personnel wherein such bonus payments to identified employees would be linked to the Company achieving certain financial parameters. However, in the event such cash bonus payment plan to incentivise and retain employees is adopted, it may increase our employee benefit expense and impact profitability and margins. For more details, see “Our Management - Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management Personnel” on page 231.

The loss of services of our Key Managerial Personnel and our Senior Management Personnel could significantly impair our ability to continue to manage and expand our business. For details in relation to the experience of our Key Managerial Personnel and our Senior Management Personnel, see “Our Management” on page 212. Set out below are details in relation to the attrition rate for our Key Managerial Personnel and our Senior Management Personnel for the years indicated:

Attrition rate for	Fiscal		
	2021	2022	2023
Key Managerial Personnel	50.00% <sup>(i)</sup>	Nil	Nil
Senior Management Personnel	42.85%	14.28%	14.28%

(i) The term of one out of two key managerial personnel ended in Fiscal 2021.

There is no assurance that we will be able to retain our Key Managerial Personnel and our Senior Management Personnel or that such attrition rate will not deteriorate in the future. Any increase in attrition of our qualified professionals may have an adverse effect on our business, results of operations and financial condition.

**42. An inability to establish and maintain effective internal controls could lead to an adverse effect on our business, results of operations and financial condition.**

Our success depends on our ability to effectively utilize our resources and maintain internal controls. We take reasonable steps to maintain appropriate procedures for compliance and disclosure. We also maintain effective internal controls over our financial reporting, to enable us to produce reliable financial reports and prevent financial fraud. We periodically test and update our internal processes and systems and 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.



Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Further, employee misconduct such as improper use or disclosure of confidential information, could result in costly litigation and serious reputational or financial harm. While we strive to monitor, detect and prevent fraud or misappropriation (including pilferage) by our employees, through various internal control measures and insurance coverage, we may be unable to adequately prevent or deter such activities in all cases. While we have not experienced any lapses in internal controls that led to a material adverse effect on our business and operations in Fiscals 2021, 2022 and 2023, there is no assurance that such lapses will not occur in the future. Our efforts in improving our internal control systems may not result in eliminating all risks. If we are not successful in discovering and eliminating weaknesses in our internal controls, our ability to manage our business effectively may materially and adversely be affected.

- 43. *Certain sections of this Draft Red Herring Prospectus disclose information from the CRISIL Report which has been prepared exclusively for the Offer and commissioned by our Company and paid for by our Company on behalf of the Selling Shareholders exclusively in connection with the Offer, and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.***

We have commissioned and availed the services of an independent third party research agency, CRISIL MI&A, a division of CRISIL Limited to prepare the report titled “Assessment of the diagnostics industry in India” dated September 2023 (the “**CRISIL Report**”), for purposes of inclusion of such information in this Draft Red Herring Prospectus to understand the industry in which we operate pursuant to an engagement letter dated June 16, 2023. A copy of the CRISIL Report is available on the website of our Company at <https://agilusdiagnostics.com/investors/draft-red-herring-prospectus-and-related-documents>. The CRISIL Report has been exclusively commissioned by our Company and paid for by our Company on behalf of the Selling Shareholders. Certain information in this section and “*Industry Overview*,” “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, on pages 121, 170 and 316, respectively, have been derived from the CRISIL Report. Further, the CRISIL Report is prepared based on information as of specific dates, which may no longer be current or reflect current trends. The Report may also base its opinion on estimates, projections, forecasts and assumptions that may prove to be incorrect. In addition, 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. The CRISIL Report also highlights certain industry, peer and market data, which may be subject to assumptions.

There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Furthermore, such assumptions may change based on various factors. We cannot assure that the assumptions in the CRISIL Report are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the commissioned report is not a recommendation to invest or disinvest in our Company and shall not be construed as expert advice or investment advice. Prospective investors are advised not to unduly rely on the CRISIL Report or extracts thereof as included in this Draft Red Herring Prospectus when making their investment decisions.

- 44. *Our Company will not receive or benefit from any proceeds from the Offer for Sale. The Selling Shareholders will receive the entire proceeds from the Offer for Sale.***

The Offer consists of only an Offer for Sale by the Selling Shareholders. The entire proceeds from the Offer for Sale will be paid to the Selling Shareholders (after deducting applicable Offer Expenses) and our Company will not receive any such proceeds. For further information, see “*The Offer*” and “*Objects of the Offer*” on pages 269 and 102, respectively.

## **EXTERNAL RISK FACTORS**

### ***Risks Relating to India***

- 45. *Any adverse development, slowdown in Indian economy, political or any other factors beyond our control may have an adverse impact on our business, results of operations, cash flows and financial condition.***

We are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy, as well as the economies of the regional markets in which we operate. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy,

could adversely affect our business, results of operations, cash flows and financial condition and the price of our Equity Shares.

Further, economic developments globally can have a significant impact on India. For instance, the global economy has been negatively impacted by the conflict between Russia and Ukraine. Governments in the United States, United Kingdom, and European Union have imposed sanctions on certain products, industry sectors, and parties in Russia. The conflict could negatively impact regional and global financial markets and economic conditions, and result in global economic uncertainty and increased costs of various commodities, raw materials, energy and transportation. In addition, recent increases in inflation and interest rates globally, including in India, could adversely affect the Indian economy.

In case we are not able to react to adverse economic developments, sector-specific conditions and cyclical trends in a flexible and appropriate way, business, results of operations, financial condition and cash flows could be adversely affected.

***46. Changing laws, rules and regulations and legal uncertainties, including adverse application or interpretation of corporate and tax laws, may adversely affect our business, results of operations and financial condition.***

Our business is subject to various laws and regulations in India which are evolving and are subject to change. Such changes, may adversely affect our business, financial condition and results of operations, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For instance, the Government of India announced the union budget for Fiscal 2024, pursuant to which the Finance Bill, 2023 (“**Finance Bill**”), proposes to introduce various amendments to taxation laws in India. The Finance Bill has received the assent of the President of India and has been enforced as the Finance Act, 2023. We cannot predict whether any amendments made pursuant to the Finance Act, 2023 would have any adverse effect on our business, financial condition, future cash flows and results of operations.

Unfavorable 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. We may incur increased costs and other burdens relating to compliance with new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, financial condition and results of operations. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

***47. Our business may be adversely affected by adverse application or interpretation of competition laws in India.***

The Competition Act, 2002, as amended (“**Competition Act**”), regulates and was enacted for the purposes of preventing practices that have or are likely to have an appreciable adverse effect on competition (“**AAEC**”) in the relevant market in India and mandates the Competition Commission of India (the “**CCI**”) to separate such practices. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC, is considered void, and results in the imposition of substantial monetary penalties. Furthermore, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services, including by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding, is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of any director, manager, secretary or other officer of such company, that person shall also be guilty of the contravention and may be punished.

Further, the Competition (Amendment) Act, 2023 (“**Competition Amendment Act**”) which was notified on April 11, 2023, amended the Competition Act and gave the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, *inter alia*, modifies the

scope of certain factors used to determine AAEC, requires transactions in connection with an acquisition, merger or amalgamation whose value exceeds ₹ 20,000.00 million to be reported to the CCI, reduces the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position.

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

**48. *Any adverse revision to India's debt rating by a domestic or an international rating agency could adversely affect our business.***

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all which are outside the control of our Company. Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India by domestic or international rating agencies may adversely impact our ability to raise additional external financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favorable terms and consequently adversely affect our business and financial performance and the price of our Equity Shares.

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

We are subject to Indian exchange control regulations that regulate borrowing in foreign currencies, including those specified under FEMA and the rules thereunder. Under such 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 of the RBI will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

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 share a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India. Any such approval(s) would be subject to the discretion of the regulatory authorities. Restrictions on foreign investment activities and any impact on our ability to attract foreign investors may cause uncertainty and delays in our future investment plans and initiatives.

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 422.

**50. *Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares and dividend received.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax (“STT”) is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India’s right to impose tax on capital gains arising from the sale of shares of an Indian company. We 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 business, results of operations and financial condition.

### ***Risks Relating to the Offer and the Equity Shares***

#### ***51. The determination of the Price Band is based on various factors and assumptions, and the Offer Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Offer.***

The determination of the Price Band is based on various factors and assumptions, and will be determined in accordance with applicable law and in consultation with the BRLMs. Further, there can be no assurance that our key performance indicators (“KPIs”) will improve or become higher than our listed comparable industry peers in the future or whether we will be able to successfully compete against the listed comparable industry peers in these KPIs in the future. An inability to improve, maintain or compete, or any reduction in such KPIs in comparison with the listed comparable industry peers may adversely affect the market price of our Equity Shares. Moreover, there are no standard methodologies in the industry for the calculations of such KPIs and as a result, the listed comparable industry peers may calculate and present such financial ratios in a different manner. There can be no assurance that our methodologies are correct or will not change and accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus.

#### ***52. Our Equity Shares have never been publicly traded, and, after the Offer, our Equity Shares may experience price and volume fluctuations, and an active trading market for our Equity Shares may not develop.***

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. The Offer Price of our Equity Shares will be determined in accordance with applicable law and in consultation with the BRLMs, through the Book Building Process. These will be based on numerous factors, including factors as described under “Basis for the Offer Price” on page 105 and may not be indicative of the market price for our Equity Shares after the Offer. The market price of our Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, volatility in the Stock Exchanges, securities markets in other jurisdictions, strategic actions by us or our competitors, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications and changes in economic, legal and other regulatory factors. There is no assurance that investors in our Equity Shares will be able to resell their Equity Shares at or above the Offer Price.

#### ***53. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors’ assessment of our financial condition.***

Our Restated Consolidated Financial Information for Fiscals 2021, 2022 and 2023 have been derived from the audited financial statements of our Company as at and for the financial years ended March 31, 2021, March 31, 2022 and March 31, 2023 prepared in accordance with the Indian Accounting Standards (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. The aforementioned financial statements have been restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note.

Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows

and financial position maybe 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, Ind AS, the Companies Act and the SEBI ICDR Regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

**54. *The current market price of some securities listed pursuant to certain previous issues managed by the BRLMs is below their respective issue prices.***

The current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue prices. For further information, see “*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs*” on page 385. The factors that could affect the market price of our 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 that sustained trading will take place in our Equity Shares, or provide any assurance regarding the price at which our Equity Shares will be traded after listing.

**55. *Any future issuance of our Equity Shares or convertible securities or other equity linked instruments by us may dilute prospective investors’ shareholding, and sales of our Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity that we issue, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares, including through the exercise of employee stock options, may lead to the dilution of investors’ shareholdings in our Company. Any future issuances of Equity Shares or the disposal of Equity Shares by our major shareholders including our Promoter, or the perception that such issuance or sales may occur, may adversely affect the trading price of our 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 the major Shareholders will not dispose of, pledge or encumber their Equity Shares. Any future issuances could also dilute the value of your investment in our Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

**56. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have a material adverse effect on the trading price of, and returns on, 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 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 that it takes to undertake such conversion may reduce the net dividend foreign investors receive. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, 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 Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have a material adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

**57. *Investors may have difficulty enforcing foreign judgments in India against us, our management or IFC.***

Our Company is incorporated under the laws of India and a majority of our Directors, Key Managerial Personnel and Senior Management are residents of India. A substantial portion of our assets are also located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India predicated upon civil liabilities on us or such directors and executive officers under laws other than Indian Law.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India is not party to any international treaty in relation to the recognition or

enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favor a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

Under the provisions of the International Finance Corporation (Status, Immunities and Privileges) Act, 1958 and the United Nations (Privileges and Immunities) Act, 1947, IFC, one of our Selling Shareholders, has certain immunities, including from legal process, search, requisition, confiscation, expropriation or any other seizure or attachment in respect of its properties and assets, in India. Additionally, all officers and employees of IFC are immune from legal process with respect to acts performed by them in their official capacity. There can be no assurance that you will be able to institute or enforce any action against IFC in India. Similar limitations may exist in other jurisdictions including the United States of America.

**58. *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 pay 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 our Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment within such period as may be prescribed by the SEBI, adverse events affecting the investors' decision to invest in our Equity Shares may arise between the date of submission of the Bid and Allotment. 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 at any stage after the submission of their bids. Our Company may complete the Allotment of our Equity Shares even if such events occur, and such events limit the Bidders' ability to sell our Equity Shares Allotted pursuant to the Offer or cause the trading price of our Equity Shares to decline on listing.

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

Under the Companies Act, a company incorporated in India and having share capital must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such 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 your benefit. The value such custodian receives on the sale of any

such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional equity interests in us may be reduced.

**60. *The ability of investors to acquire and sell Equity Shares is restricted by the distribution and transfer restrictions set forth in this Draft Red Herring Prospectus.***

No actions have been taken to permit a public offering of our Equity Shares in any jurisdiction, other than India. As such, our Equity Shares have not and will not be registered under the U.S. Securities Act, any state securities laws or the law of any jurisdiction other than India. Furthermore, our Equity Shares are subject to restrictions on transferability and resale. You are required to inform yourself about and observe these restrictions. See “*Other Regulatory and Statutory Disclosures – Disclaimer in Respect of Jurisdiction*” on page 381. We, our representatives and our agents will not be obligated to recognize any acquisition, transfer or resale of our Equity Shares made other than in compliance with the restrictions set forth herein.

**61. *Investors will not be able to sell any Equity Shares on the Stock Exchange until we receive the appropriate listing and trading approvals.***

Our Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before our Equity Shares can be listed and trading of our Equity Shares may commence. Further, in accordance with Indian law, permission for listing of our Equity Shares will be granted only after our Equity Shares in this Offer have been Allotted and all other relevant documents authorizing the issuing of our Equity Shares have been submitted. There could be a failure or delay in listing of our Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise to commence trading in our Equity Shares would restrict investors’ ability to dispose of their Equity Shares. There can be no assurance that our Equity Shares will be credited to investors’ demat accounts, or that trading in our Equity Shares will commence, within the prescribed time periods or at all. 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 time periods prescribed under law.

**62. *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

Certain provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“**SEBI Takeover Regulations**”), an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of our Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

**63. *Rights of shareholders of companies under Indian law may be different compared to 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 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 a shareholder in an Indian company rather than as a shareholder of an entity in another jurisdiction.

**64. *Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (“ASM”) and Graded Surveillance Measures (“GSM”) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.***

SEBI and the Stock Exchanges have introduced various pre-emptive surveillance measures in order to enhance market integrity and safeguard the interests of investors, including ASM and GSM. ASM and GSM are imposed on securities of companies based on various objective criteria such as significant variations in price and volume, concentration of certain client accounts as a percentage of combined trading volume, average delivery, securities which witness abnormal price rise not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net worth, price/ earnings multiple, market capitalization etc.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, low trading volumes, and a large concentration of client accounts as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, requirement of settlement on a trade for trade basis without netting off, limiting trading frequency, reduction of applicable price band, requirement of settlement on gross basis or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company.



## SECTION IV – INTRODUCTION

### THE OFFER

The following table summarizes details of the Offer:

The Offer comprises of:	
Offer for Sale <sup>(1)(2)</sup>	Up to 14,233,964 Equity Shares, aggregating up to ₹ [●] million
<i>which includes:</i>	
A) QIB Portion <sup>(3)(4)</sup>	Not more than [●] Equity Shares aggregating up to ₹ [●] million
<i>of which:</i>	
(i) Anchor Investor Portion	Up to [●] Equity Shares aggregating up to ₹ [●] million
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares aggregating up to ₹ [●] million
<i>of which:</i>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares aggregating up to ₹ [●] million
(b) Balance of the Net QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares aggregating up to ₹ [●] million
B) Non-Institutional Portion <sup>(4)(5)</sup>	Not less than [●] Equity Shares aggregating up to ₹ [●] million
<i>of which:</i>	
(i) One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000	Up to [●] Equity Shares aggregating up to ₹ [●] million
(ii) Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 1,000,000	Up to [●] Equity Shares aggregating up to ₹ [●] million
C) Retail Portion <sup>(5)</sup>	Not less than [●] Equity Shares aggregating up to ₹ [●] million
<b>Pre and post-Offer Equity Shares</b>	
Equity Shares outstanding prior to the Offer	78,425,542 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
<b>Use of Offer Proceeds</b>	Our Company will not receive any proceeds from the Offer for Sale. For further details, see “ <i>Objects of the Offer</i> ” on page 102.

- (1) The Offer has been authorized by a resolution of our Board dated August 4, 2023. Further, our IPO Committee has taken on record the consents of the Selling Shareholders by its resolution dated September 29, 2023.
- (2) The Equity Shares being offered by the Selling Shareholders have been held for a continuous 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. Each of the Selling Shareholders have confirmed and authorised their respective participation in the Offer for Sale as set out below:

S. No.	Name of the Selling Shareholder	Aggregate number of Equity Shares being offered in the Offer for Sale	Date of board resolution / corporate authorisation	Date of consent letter
1.	International Finance Corporation	Up to 2,985,075 Equity Shares	August 31, 2023	September 29, 2023
2.	NYLIM Jacob Ballas India Fund III LLC	Up to 7,462,700 Equity Shares	August 2, 2023	September 29, 2023
3.	Resurgence PE Investments Limited	Up to 3,786,189 Equity Shares	August 9, 2023	September 29, 2023

- (3) Up to 60% of the QIB Portion may be allocated to Anchor Investors on a discretionary basis in accordance with applicable law and in consultation with the BRLMs. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. 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 in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of 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. 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 Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For details, see “Offer Procedure” on page 402.

- (4) Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, as applicable, on a discretionary basis in accordance with applicable law and in consultation with the BRLMs and the Designated Stock Exchange.
- (5) Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Bidders and Retail Individual Bidders, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. The allocation to each Non-Institutional Bidder shall not be less than ₹ 0.2 million, subject to the availability of Equity Shares in Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the SEBI ICDR Regulations. Allocation to Anchor Investors shall be on a discretionary basis in accordance with applicable law and in consultation with the BRLMs. For details, see “Offer Procedure” on page 402.

For details, including in relation to grounds for rejection of Bids, refer to “Offer Structure” and “Offer Procedure” on page 399 and 402, respectively. For details of the terms of the Offer, see “Terms of the Offer” on page 392.

## SUMMARY FINANCIAL INFORMATION

### Summary Restated Consolidated Statements of Assets and Liabilities

*(All amounts in ₹ millions, unless otherwise stated)*

		As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a)	Property, plant and equipment	3,110.93	2,943.07	2,611.26
(b)	Capital work-in-progress	13.32	21.20	11.14
(c)	Right-of-use assets	1,018.65	865.38	543.18
(d)	Goodwill	8,507.65	8,329.84	4,191.78
(e)	Other intangible assets	4,105.46	3,067.77	182.45
(f)	Investments accounted for using the equity method	32.00	31.90	558.75
(g)	Financial assets			
	(i) Loans	8.19	2.09	1.31
	(ii) Other financial assets	257.59	245.03	98.80
(h)	Deferred tax assets (net)	406.97	409.16	245.83
(i)	Other tax assets (net)	628.53	495.65	381.02
(j)	Other non-current assets	520.93	474.05	393.00
<b>Total non-current assets</b>		<b>18,610.22</b>	<b>16,885.14</b>	<b>9,218.52</b>
<b>Current assets</b>				
(a)	Inventories	609.73	567.30	375.88
(b)	Financial assets			
	(i) Trade receivables	1,431.49	1,495.46	1,442.12
	(ii) Cash and cash equivalents	1,137.44	1,035.78	2,266.16
	(iii) Bank balances other than (ii) above	2,099.42	2,586.44	1,336.43
	(iv) Loans	2.20	1.87	1,098.30
	(v) Other financial assets	167.44	113.52	47.25
(c)	Other current assets	129.50	114.12	78.46
<b>Total current assets</b>		<b>5,577.22</b>	<b>5,914.49</b>	<b>6,644.60</b>
<b>Total assets</b>		<b>24,187.44</b>	<b>22,799.63</b>	<b>15,863.12</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a)	Equity share capital	784.26	784.26	784.26
(b)	Other equity	18,671.51	17,877.28	12,329.56
<b>Total equity</b>		<b>19,455.77</b>	<b>18,661.54</b>	<b>13,113.82</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a)	Financial liabilities			
	(i) Borrowings	18.96	16.12	9.70
	(ii) Lease liabilities	812.86	667.07	397.06
	(iii) Other financial liabilities	192.58	32.15	58.68
(b)	Provisions	305.19	311.05	249.20
(c)	Deferred tax liabilities	672.42	688.30	-
<b>Total non-current liabilities</b>		<b>2,002.01</b>	<b>1,714.69</b>	<b>714.64</b>
<b>Current liabilities</b>				
(a)	Financial liabilities			
	(i) Borrowings	9.33	6.39	2.83
	(ii) Lease liabilities	252.96	243.61	172.67
	(iii) Trade payables			
	- Total outstanding dues of micro enterprises and small enterprises	166.10	83.53	28.14
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,228.62	1,209.61	1,135.95
	(iv) Other financial liabilities	695.86	551.30	385.10
(b)	Other current liabilities	284.90	246.73	240.39
(c)	Provisions	79.10	77.61	69.58
(d)	Current tax liabilities (net)	12.79	4.62	-
<b>Total current liabilities</b>		<b>2,729.66</b>	<b>2,423.40</b>	<b>2,034.66</b>
<b>Total liabilities</b>		<b>4,731.67</b>	<b>4,138.09</b>	<b>2,749.30</b>
<b>Total equity and liabilities</b>		<b>24,187.44</b>	<b>22,799.63</b>	<b>15,863.12</b>

**Summary Restated Consolidated Statement of Profit and Loss**
*(All amounts in ₹ millions, unless otherwise stated)*

	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
<b>Income</b>			
Revenue from operations	13,474.62	16,049.11	10,350.73
Other income	236.40	134.36	256.21
<b>Total income</b>	<b>13,711.02</b>	<b>16,183.47</b>	<b>10,606.94</b>
<b>Expenses</b>			
Cost of materials consumed	3,159.79	3,991.36	2,876.20
Cost of tests outsourced	169.78	145.53	121.24
Employee benefits expense	3,078.82	3,072.57	2,434.95
Finance costs	154.51	157.64	117.93
Depreciation and amortisation expense	889.70	802.77	520.65
Other expenses	4,676.47	4,720.52	3,168.21
<b>Total expenses</b>	<b>12,129.07</b>	<b>12,890.39</b>	<b>9,239.18</b>
<b>Restated profit before share of profit of equity accounted investees, exceptional items and tax</b>	<b>1,581.95</b>	<b>3,293.08</b>	<b>1,367.76</b>
Share of profit of equity accounted investees (net of income tax)	0.10	9.03	435.70
<b>Restated profit before exceptional items and tax</b>	<b>1,582.05</b>	<b>3,302.11</b>	<b>1,803.46</b>
Exceptional items	-	3,061.43	-
<b>Restated profit before tax</b>	<b>1,582.05</b>	<b>6,363.54</b>	<b>1,803.46</b>
<b>Tax expense</b>			
Current tax	431.80	967.12	407.84
Deferred tax (credit)/charge	(16.11)	(150.66)	83.17
<b>Total tax expense</b>	<b>415.69</b>	<b>816.46</b>	<b>491.01</b>
<b>Restated profit for the year</b>	<b>1,166.36</b>	<b>5,547.08</b>	<b>1,312.45</b>
<b>Restated other comprehensive income</b>			
<b>A (i) Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of the defined benefit plans of the Company and its subsidiaries	9.70	9.12	(0.41)
(b) Remeasurements of the defined benefit plans of joint ventures	-	-	0.81
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>			
(a) Income tax on remeasurements of the defined benefit plans of the Company and its subsidiaries	(2.42)	(2.32)	0.13
(b) Income tax on remeasurements of the defined benefit plans of joint ventures	-	-	(0.20)
	<b>7.28</b>	<b>6.80</b>	<b>0.33</b>
<b>B (i) Items that will be reclassified to profit or loss</b>			
(a) Exchange differences in translating the financial statements of foreign operations	(6.89)	(6.16)	5.16
<b>Restated total other comprehensive income (net of income tax) (A(i+ii)+B(i))</b>	<b>0.39</b>	<b>0.64</b>	<b>5.49</b>
<b>Restated total comprehensive income for the year</b>	<b>1,166.75</b>	<b>5,547.72</b>	<b>1,317.94</b>
Restated profit for the year attributable to:			
- Owners of the Company	1,166.36	5,547.08	1,312.45
Restated other comprehensive income for the year attributable to:			
- Owners of the Company	0.39	0.64	5.49
Restated total comprehensive income for the year attributable to:			
- Owners of the Company	<b>1,166.75</b>	<b>5,547.72</b>	<b>1,317.94</b>
<b>Earnings per equity share (Face value of Rs. 10 each)</b>			
(i) Basic (in Rupees)	14.87	70.73	16.74
(ii) Diluted (in Rupees)	14.76	70.21	16.62

**Summary Restated Consolidated Statement of Cash Flows**
*(All amounts in ₹ millions, unless otherwise stated)*

	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
<b>A Cash flows from operating activities</b>			
<b>Restated profit before tax</b>	<b>1,582.05</b>	<b>6,363.54</b>	<b>1,803.46</b>
<b>Adjustments for:</b>			
Depreciation and amortisation expense	889.70	802.77	520.65
Loss/ (Gain) on disposal of property, plant and equipment (net)	(32.95)	3.45	(1.13)
Share of profit of equity accounted investees (net of income tax)	(0.10)	(9.03)	(435.70)
Loss allowance for deposits and advances	1.36	1.60	5.64
Loss allowance for trade receivables	143.65	76.55	142.67
Advances written off	-	-	1.08
Exceptional items	-	(3,061.43)	-
Equity settled share based payment	-	-	(9.43)
Liabilities/provisions no longer required written back	(47.32)	(88.43)	(49.48)
Finance costs	154.51	157.64	117.93
Gain on sale of investment	(7.40)	-	-
Gain on termination of leases	(18.25)	-	-
Interest income	(154.26)	(120.55)	(235.69)
<b>Operating profit before changes in assets and liabilities</b>	<b>2,510.99</b>	<b>4,126.11</b>	<b>1,860.00</b>
(Increase) in inventories	(41.80)	(112.26)	(70.23)
(Increase) in trade receivables	(65.12)	(50.03)	(120.88)
(Increase)/decrease in loans and other financial assets	(45.27)	(33.29)	242.97
(Increase) in other assets	(20.46)	(22.49)	(6.90)
Increase in trade payables	124.38	58.61	263.00
(Decrease)/increase in other financial liabilities	(23.21)	101.37	35.90
(Decrease)/increase in Provisions	(11.21)	7.87	11.05
Increase/(decrease) in other liabilities	35.59	(68.06)	2.60
<b>Cash generated from operations</b>	<b>2,463.89</b>	<b>4,007.83</b>	<b>2,217.51</b>
Direct taxes paid (net)	(552.54)	(1,059.33)	(451.30)
<b>Net cash generated from operating activities</b>	<b>1,911.35</b>	<b>2,948.50</b>	<b>1,766.21</b>
<b>B Cash flows from investing activities</b>			
Interest received	134.72	127.55	229.78
Investment in equity shares (refer note 50A)	(125.00)	(3,375.00)	-
Fixed deposits made during the year	(6,493.47)	(5,166.52)	(1,698.72)
Fixed deposits matured during the year	6,949.93	3,865.85	1,917.53
Repayment of loan given to fellow subsidiaries	-	1,071.70	-
Purchase of current investment	(1,209.94)	-	-
Proceeds from sale of current investment	1,217.34	-	-
Dividend from joint venture	-	110.45	280.00
Payments for purchase of property, plant and equipment and intangible assets	(1,466.60)	(629.03)	(372.41)
Payment of purchase consideration in business combination (Refer note 50B, 50C and 50D)	(138.93)	-	(7.00)
Proceeds from disposal of property, plant and equipment	59.97	11.35	25.47
<b>Net cash (used in)/generated from investing activities</b>	<b>(1,071.98)</b>	<b>(3,983.65)</b>	<b>374.65</b>
<b>C Cash flows from financing activities*</b>			
Proceeds from borrowings	15.28	14.03	12.46
Repayment of borrowings	(9.60)	(4.10)	(1.10)
Principal payment of lease liabilities	(256.29)	(225.75)	(185.15)
Interest paid on lease liabilities	(88.64)	(80.02)	(63.03)
Dividend paid	(372.52)	-	-
Finance cost paid	(29.89)	(39.30)	(27.12)
<b>Net cash used in financing activities</b>	<b>(741.66)</b>	<b>(335.14)</b>	<b>(263.94)</b>
<b>Net increase/(decrease) in cash and cash equivalents [A+B+C]</b>	<b>97.71</b>	<b>(1,370.29)</b>	<b>1,876.92</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,035.78</b>	<b>2,266.16</b>	<b>391.72</b>
<b>Effect of movements in exchange rates</b>	<b>3.95</b>	<b>2.76</b>	<b>(2.48)</b>
<b>Add: Cash and cash equivalents in respect of acquisitions (refer note 50A)</b>	<b>-</b>	<b>137.15</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,137.44</b>	<b>1,035.78</b>	<b>2,266.16</b>

**\*Changes in financial liabilities arising from financing activities**

<b>Particulars</b>	<b>Borrowings (including interest accrued)</b>	<b>Lease liabilities</b>
<b>As at 01 April 2020</b>	<b>1.19</b>	<b>648.50</b>
Addition during the year	12.46	152.25
Derecognition of lease liability	-	(44.93)
Interest cost	0.43	63.03
Payment of lease liabilities (including interest of Rs. 63.03 million)	-	(248.18)
Effect of changes in foreign exchange rates	(0.03)	(0.95)
Repayments of borrowings	(1.10)	-
Finance cost paid	(0.36)	-
<b>As at 31 March 2021</b>	<b>12.59</b>	<b>569.72</b>
<b>As at 01 April 2021</b>	<b>12.59</b>	<b>569.72</b>
Addition during the year	14.03	503.91
Addition on acquisitions (Refer Note 50A)	-	65.10
Derecognition of lease liability	-	(3.38)
Interest cost	1.28	80.02
Payment of lease liabilities (including interest of Rs. 80.02 million)	-	(305.77)
Effect of changes in foreign exchange rates	0.06	1.06
Repayments of borrowings	(4.10)	-
Finance cost paid	(1.24)	-
<b>As at 31 March 2022</b>	<b>22.62</b>	<b>910.66</b>
<b>As at 01 April 2022</b>	<b>22.62</b>	<b>910.66</b>
Addition during the year	15.28	490.94
Addition on acquisitions (Refer Note 50B and 50C)	-	17.10
Derecognition of lease liability	-	(98.63)
Interest cost	1.93	88.64
Payment of lease liabilities (including interest of Rs. 88.64 million)	-	(344.93)
Effect of changes in foreign exchange rates	0.10	2.04
Repayments of borrowings	(9.60)	-
Finance cost paid	(1.86)	-
<b>As at 31 March 2023</b>	<b>28.47</b>	<b>1,065.82</b>

## GENERAL INFORMATION

Our Company was originally incorporated as “Specialty-Ranbaxy Private Limited” in Delhi, a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated July 7, 1995 issued by the Registrar of Companies, N.C.T. of Delhi and Haryana at New Delhi. On March 30, 1996, our Company became a deemed public limited company and the endorsement to this effect was made on March 30, 1996, on the original certificate of incorporation dated July 7, 1995. The name of our Company was changed to “SRL Ranbaxy Limited”, pursuant to a special resolution dated June 3, 2002 and the certificate of incorporation dated December 13, 2002 issued by the Registrar of Companies, N.C.T. of Delhi and Haryana at New Delhi. Thereafter, the name of our Company was changed to “Super Religare Laboratories Limited” pursuant to a special resolution dated August 14, 2008, and the certificate of incorporation dated August 28, 2008 issued by the Registrar of Companies, N.C.T. of Delhi and Haryana at New Delhi. The name of our Company was further changed to “SRL Limited” pursuant to the special resolution dated June 28, 2012 and the certificate of incorporation dated July 6, 2012. Recently, the name of our Company was changed to its present name, “Agilus Diagnostics Limited”, pursuant to a special resolution dated May 21, 2023, and the fresh certificate of incorporation dated May 31, 2023, issued by the Registrar of Companies, Punjab and Chandigarh at Chandigarh (“RoC”). For further details in relation to the changes in the name and registered office of our Company, see “*History and Certain Corporate Matters*” on page 200.

### Registered Office

#### Agilus Diagnostics Limited

Fortis Hospital  
Sector 62, Phase – VIII  
Mohali – 160 062  
Punjab, India

For details of changes in the registered office of our Company, see “*History and Certain Corporate Matters - Changes in the registered office of our Company*” on page 200.

### Corporate Office

#### Agilus Diagnostics Limited

306, Tower-A, 3rd Floor  
Unitech Cyber Park, Sector-39  
Gurugram –122 002  
Haryana, India

### Company registration number and corporate identification number

Corporate registration number: 045956

CIN: U74899PB1995PLC045956

### The Registrar of Companies

Our Company is registered with the RoC which is situated at the following address:

#### Registrar of Companies, Punjab and Chandigarh at Chandigarh

1, Corporate Bhawan  
Plot No. 4 B, Sector 27 B  
Chandigarh – 160019  
Chandigarh, India

### Board of Directors

As of the date of this Draft Red Herring Prospectus, the composition of our Board is as disclosed below:

Name	Designation	DIN	Address
Ravi Rajagopal	Chairman and	00067073	Flat 96, Eyre Court 3-21, Finchley Road,

Name	Designation	DIN	Address
	Independent Director		London – NW89TX, United Kingdom
Anand Kuppuswamy	Managing Director and Chief Executive Officer	02427196	Plot No. 7, Door No. 17/26, Swamy Nagar Extension, First Street, Ullagaram, Chennai – 600091, Tamil Nadu, India
Dr. Ashutosh Raghuvanshi	Non-Executive Director	02775637	UD-02-1202, 1050/1, Survey Park, Uditia Complex, E M Bypass, Santoshpur, Circus Avenue, Kolkata-700075, West Bengal, India
Dilip Kadambi	Non-Executive Director	02148022	7-25 Grange Heights, 21 St Thomas Walk Singapore – 238145.
Ashok Pandit	Additional Non-Executive Director	09279899	82 Grange Road #08-02 Singapore 249587
Suvalaxmi Chakraborty	Independent Director	00106054	Flat No. B/1607, 16th Floor, Ashok Towers, Dr. Ambedkar Road, next to ITC Grand Central Hotel, Parel Mumbai – 400012

For further details of our Board, see “*Our Management – Board of Directors*” on page 212.

### Company Secretary and Compliance Officer

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

#### Trapti

306, Tower-A, 3rd Floor  
 Unitech Cyber Park, Sector-39  
 Gurugram – 122 002  
 Haryana, India  
**Telephone:** 0124-6261111  
**Email:** investors@agilus.in

### Investor Grievances

**Investors can contact the Company Secretary and 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 orders or non-receipt of funds by electronic mode.**

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) 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’s DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary(ies) where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than UPI Bidders) in which the amount equivalent to the Bid Amount was blocked or the UPI ID, in case of UPI Bidders.

Further, the ASBA Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediary(ies) 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.

All Offer related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Anchor Investor Application Form number, Bidders’ DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.



## Book Running Lead Managers

### ICICI Securities Limited

ICICI Venture House  
Appasaheb Marathe Marg  
Prabhadevi, Mumbai – 400 025  
Maharashtra, India  
**Telephone:** +91 22 6807 7100  
**Email:** agilus.ipo@icicisecurities.com  
**Investor grievance email:**  
customercare@icicisecurities.com  
**Website:** www.icicisecurities.com  
**Contact person:** Sameer Purohit  
**SEBI registration no.:** INM000011179

### Axis Capital Limited

1<sup>st</sup> Floor, Axis House, C-2 Wadia International  
Center  
Pandurang Budhkar Marg, Worli, Mumbai - 400  
025  
Maharashtra, India  
**Telephone:** +91 22 4325 2183  
**Email:** agilus.ipo@axiscap.in  
**Investor grievance email:**  
complaints@axiscap.in  
**Website:** www.axiscapital.co.in  
**Contact person:** Pavan Naik  
**SEBI registration no.:** INM000012029

### Citigroup Global Markets India Private Limited

1202, 12th Floor, First International Financial Centre, G  
Block  
Bandra Kurla Complex, Bandra (East)  
Mumbai - 400 098  
Maharashtra, India  
**Telephone:** +91 22 6175 9999  
**Email:** Agilus.IPO@citi.com  
**Investor grievance email:** investors.cgmib@citi.com  
**Website:**  
www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm  
**Contact person:** Huzefa Bodabhaiwala  
**SEBI registration no.:** INM000010718

## Statement of responsibilities

I-Sec, Axis and Citi are the BRLMs to the Offer. The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs:

Sr. No.	Activity	Responsibility	Co-ordination Approved by Company
1.	Capital Structuring, due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, abridged prospectus and application form. The Book Running Lead 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	I-Sec, Citi, Axis	I-Sec
2.	Drafting and approval of all statutory advertisements	I-Sec, Citi, Axis	I-Sec
3.	Drafting and approval of all publicity material other than statutory advertisements, including corporate advertising, brochures, media monitoring, etc. and filing of media compliance report	I-Sec, Citi, Axis	Citi
4.	Appointment of intermediaries (including co-ordinating all agreements to be entered with such parties): advertising agency, registrar, printers, banker(s) to the Offer, sponsor bank, share escrow agent, syndicate members etc.	I-Sec, Citi, Axis	Citi
5.	Preparation of road show presentation and frequently asked questions	I-Sec, Citi, Axis	Citi
6.	International institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"><li>Institutional marketing strategy and preparation of publicity budget;</li></ul>	I-Sec, Citi, Axis	Citi

Sr. No.	Activity	Responsibility	Co-ordination Approved by Company
	<ul style="list-style-type: none"> <li>Finalising the list and division of international investors for one-to-one meetings</li> <li>Finalising international road show and investor meeting schedules</li> </ul>		
7.	Domestic institutional marketing of the Offer, which will cover, inter alia: Institutional marketing strategy and preparation of publicity budget; Finalising the list and division of domestic investors for one-to-one meetings <ul style="list-style-type: none"> <li>Finalising domestic road show and investor meeting schedules</li> </ul>	I-Sec, Axis Citi,	I-Sec
8.	Non – institutional and retail marketing of the offer, which will cover, inter alia: <ul style="list-style-type: none"> <li>Finalising media, marketing and public relations strategy including list of frequently asked questions at retail road shows;</li> <li>Follow - up on distribution of publicity and offer material including forms, the Prospectus and deciding on the quantum of Issue material; and</li> <li>Finalising centres for holding conferences for brokers etc. and</li> <li>Finalising collection centres</li> </ul>	I-Sec, Axis Citi,	Axis
9.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, intimation to Stock Exchange for anchor portion and deposit of 1% security deposit with designated stock exchange.	I-Sec, Axis Citi,	Axis
10.	Managing the book and finalization of pricing determined in accordance with applicable law	I-Sec, Axis Citi,	Citi
11.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with registrar, SCSBs and banks, intimation of allocation and dispatch of refund to bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to anchor investors, follow-up with bankers to the Offer and SCSBs to get quick estimates of collection and advising the issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, coordination for unblock of funds by SCSBs, finalization of trading, dealing and listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the Offer, bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transaction tax (“STT”) on sale of unlisted equity shares by the Selling Shareholders under the Offer for Sale to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004. Co-ordination with SEBI and stock exchanges for refund of 1% security deposit and submission of all post-offer reports including final post-offer report to SEBI.	I-Sec, Axis Citi,	Axis

### Syndicate Members

[•]

### Legal Counsel to our Company as to Indian Law

#### Khaitan & Co

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

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

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

Building No.10, 12th Floor, Tower – C  
DLF Cyber City, Phase II  
Gurugram - 122 002, Haryana, India  
**Telephone:** +91 124 719 1000  
**E-mail ID:** rnayar@bsraffiliates.com  
**Peer Review Number.:** 014196  
**Firm Registration Number:** 101248W/W-100022

### **Changes in the auditors**

There has been no change in the statutory auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus.

### **Registrar to the Offer**

#### **KFin Technologies Limited**

Selenium Tower B, Plot No.31-32  
Gachibowli, Financial District  
Nanakramguda, Serilingampally  
Hyderabad – 500 032, Telangana, India  
**Telephone:** +91 40 6716 2222/1800 309 4001  
**Email:** adl.ipo@kfintech.com  
**Investor grievance email:** einward.ris@kfintech.com  
**Website:** www.kfintech.com  
**Contact person:** M. Murali Krishna  
**SEBI registration no:** INR000000221

### **Bankers to our Company**

#### **Axis Bank Limited**

3<sup>rd</sup> floor, Plot 25, Pusa Road  
New Delhi – 110 005  
New Delhi, India  
**Telephone:** +91 98999 95805  
**Contact person:** Manisha Gupta  
**Email:** Manisha.gupta@axisbank.com

#### **DBS Bank India Limited**

2nd floor Building No. 10C DLF Cybercity  
Gurugram – 122 002  
Haryana, India  
**Telephone:** 011 6621 1862  
**Contact person:** Anish Bansal  
**Email:** anishbansal@dbs.com

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

#### *Escrow Collection Bank(s)*

[•]

#### *Public Offer Account Bank(s)*

[•]

#### *Refund Bank(s)*

[•]

#### *Sponsor Bank(s)*

[•]

## **Designated Intermediaries**

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

The list of SCSBs notified by SEBI for the ASBA process is available on the SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time.

A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidder), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the ASBA Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other websites as may be prescribed by SEBI from time to time.

### ***Self-Certified Syndicate Banks eligible as Issuer Banks and mobile applications enabled for UPI Mechanism***

In accordance with 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, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI, which may be updated from time to time. A list of SCSBs and mobile applications, using the UPI handles and which are live for applying in public issues using UPI mechanism is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>, as updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

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

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

### ***Registered Brokers***

Bidders can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA Forms from Bidders (other than RIBs), including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at [http://www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx) and [https://www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](https://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm), respectively, as updated from time to time.

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

The list of the RTAs eligible to accept ASBA Forms from Bidders (other than RIBs) at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx> and [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, as updated from time to time.

### ***Collecting Depository Participants***

The list of the CDPs eligible to accept ASBA Forms from Bidders (other than RIBs) at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx> and on the website of NSE at [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), as updated from time to time.

### **Credit Rating**

As the Offer is of Equity Shares, there is no requirement to obtain credit rating.

### **Debenture Trustee**

As the Offer is of Equity Shares, there is no requirement to appoint a debenture trustee.

### **Monitoring Agency**

As the Offer is an offer for sale of Equity Shares, there is no requirement to appoint a monitoring agency for this Offer.

### **Grading of the Offer**

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

### **Green Shoe Option**

No green shoe option is contemplated under the Offer.

### **Appraising Entity**

No appraising entity has been appointed in relation to the Offer since the Offer solely comprises of an offer for sale of Equity Shares by the Selling Shareholders and our Company will not receive any proceeds from the Offer.

### **Experts**

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

Our Company has received written consent dated September 28, 2023, from our Statutory Auditors, B S R & Co. LLP, Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors and in respect of their (i) examination report dated September 25, 2023, on our Restated Consolidated Financial Information, and (ii) report dated September 28, 2023, on the statement of possible special tax benefits and included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this DRHP. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

### **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 and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. 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 left blank intentionally and will be updated in the Prospectus)*

<b>Name, address, telephone and email of the Underwriters</b>	<b>Indicative number of Equity Shares to be underwritten</b>	<b>Amount underwritten (in ₹ million)</b>
[●]	[●]	[●]
[●]	[●]	[●]
<b>Total</b>	[●]	[●]

The abovementioned amounts are indicative and will be finalized after determination of the Offer Price and Basis of Allotment, and actual allocation and will be in accordance with the Regulation 40(3) of the SEBI ICDR Regulations.

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

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.

### **Filing of the Draft Red Herring Prospectus**

A copy of this Draft Red Herring Prospectus will be filed through the SEBI Intermediary Portal at <https://siportal.sebi.gov.in> in accordance with SEBI master circular bearing reference SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, as specified in Regulation 25(8) of the SEBI ICDR Regulations.

It will also be filed with the SEBI at:

### **Securities and Exchange Board of India**

Corporation Finance Department  
Division of Issues and Listing  
SEBI Bhavan, Plot No. C4 A, 'G' Block  
Bandra Kurla Complex, Bandra (E)  
Mumbai 400 051, Maharashtra, India

### **Filing of the Red Herring Prospectus and Prospectus**

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed, will be filed with the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013, will be filed with the RoC, and through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

### **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, the Bid cum Application Forms (and the Revision Forms, if any), within the Price Band. The Price Band will be decided in accordance with applicable law and in consultation with the BRLMs, and if not disclosed in the Red Herring Prospectus, will be advertised in all editions of [●], a widely circulated English national daily newspaper, all editions of [●], a widely circulated Hindi national daily newspaper, and all editions of [●], a widely circulated Punjabi newspaper, Punjabi being the regional language of Punjab, where our Registered 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. The Offer Price shall be determined in accordance with applicable law and in consultation with the BRLMs, after the Bid / Offer Closing Date. For further details, see "*Offer Procedure*" on page 402.

All Bidders, other than Anchor Investors, shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. Additionally, Retail Individual Bidders shall participate through the ASBA process only using the UPI Mechanism. Non-Institutional Bidders with an application size of up to ₹500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any

stage. Retail Individual Bidders can revise their Bids during the Bid / Offer Period and withdraw their Bids until the Bid / Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis in consultation with the BRLMs and in accordance with applicable law.

**Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. Each of the Selling Shareholders have, severally and not jointly, specifically confirmed that they will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable to such Selling Shareholder, in relation to its portion of the Offered Shares. In this regard, our Company and the Selling Shareholders have appointed the Book Running Lead Managers to manage this Offer and procure Bids for this Offer.**

For further details, see “*Terms of the Offer*” and “*Offer Procedure*” on pages 392 and 402, respectively.

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

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

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

For further details on the method and procedure for Bidding, see “*Offer Structure*” and “*Offer Procedure*” on pages 399 and 402, respectively.

## CAPITAL STRUCTURE

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

<i>(in ₹, except share data)</i>			
		Aggregate nominal value	Aggregate value at Offer Price*
<b>A</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	89,000,000 Equity Shares of face value of ₹10 each	890,000,000	-
	4,000,000 compulsorily convertible preference shares of face value of ₹20 each	80,000,000	-
	<b>Total</b>	<b>970,000,000</b>	-
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER</b>		
	78,425,542 Equity Shares of face value of ₹10 each	784,255,420	-
<b>C</b>	<b>PRESENT OFFER <sup>(1)</sup></b>		
	Offer for Sale of up to 14,233,964 Equity Shares aggregating up to ₹[●] million <sup>(2)</sup>	142,339,640	[●]
<b>D</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER</b>		
	78,425,542 Equity Shares of face value of ₹ 10 each	784,255,420	[●]
<b>E</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Offer <i>(in ₹ million)</i>		6,942.51
	After the Offer <i>(in ₹ million)</i>		[●]

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

- (1) The Offer has been authorized by a resolution of our Board of Directors at their meeting held on August 4, 2023. Further, our IPO Committee has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated September 29, 2023.
- (2) Each of the Selling Shareholders confirms that their respective portion of the Offered Shares 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 with SEBI or are otherwise eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. Further, each of the Selling Shareholders have, severally and not jointly, confirmed and authorised their respective participation in the Offer for Sale pursuant to their respective consent letters. For further details, see "Other Regulatory and Statutory Disclosures- Authority for the Offer" on page 378.

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

For details of changes to our Company's authorised share capital in the last 10 years, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 201.



## Notes to the Capital Structure

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

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

Date of allotment	Details of allottees	Reason for / Nature of allotment	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Form of consideration
December 12, 1995	Allotment of 50 Equity Shares each to Dr. Parvinder Singh and Ajit Yadav and 100 Equity Shares to Jyoti Sagar	Initial subscription to the Memorandum of Association	200	10	10.00	Cash
March 30, 1996	Allotment of 1,449,902 Equity Shares each to Ranbaxy Laboratories Limited and Specialty Laboratories Asia (Singapore) Pte. Limited	Rights issue	2,899,804	10	10.00	Cash
March 14, 1997	Allotment of 2,899,804 Equity Shares each to Ranbaxy Laboratories Limited and Specialty Laboratories Asia (Singapore) Pte. Limited	Rights issue in the ratio of two Equity Shares for every one Equity Share held	5,799,608	10	10.00	Cash
March 27, 2000	Allotment of 2,174,853 Equity Shares each to Ranbaxy Laboratories Limited and Specialty Laboratories Asia (Singapore) Pte. Limited	Rights issue in the ratio of one Equity Share for every two Equity Shares held	4,349,706	10	10.00	Cash
March 16, 2002	Allotment of 300,000 Equity Shares to Ranbaxy Holding Company	Further issue	300,000	10	10.00	Cash
December 6, 2007	Allotment of 2,224,886 Equity Shares each to Gurpreet Singh Dhillon and Gurkirat Singh Dhillon (under guardianship of Shabnam Dhillon)	Further issue	4,449,772	10	11.00	Cash
June 6, 2009	Allotment of 2,000,000 Equity Shares to Prime Trust	Further issue	2,000,000	10	20.00	Cash
August 4, 2010	Allotment of 6,000,000 Equity Shares to RHC Holding Private Limited <sup>(1)</sup>	Conversion of non-cumulative compulsorily convertible preference shares of face value of ₹ 100 each	6,000,000	10	50.00	Cash
August 20, 2010	Allotment of 10,000,000 Equity Shares to Oscar Investments Limited, 5,000,000 Equity Shares each to Malav Holdings Private Limited and Shivi Holdings Private Limited and 1,000,000 Equity Shares to Religare Group Companies Employees Benefit Trust	Further issue	21,000,000	10	50.00	Cash
August 20, 2010	Allotment of 5,069,902 Equity Shares to Piramal Healthcare Limited, 77,998 Equity Shares to Dr. Avinash Phadke and 51,999 Equity Shares to Dr. Bhavin Jankharia	Issuance pursuant to acquisition of the equity share capital of Piramal Diagnostic Services Private Limited <sup>(2)</sup>	5,199,899	10	259.62	Other than cash
April 29, 2011	Allotment of 5,310,315 Equity Shares to Avigo PE Investments Limited	Further issue	5,310,315	10	188.31	Cash
June 7, 2011	Allotment of 1,691,542 Equity Shares to IL&FS Trust Company Limited as a trustee of Spring Healthcare India Trust, 597,015 Equity Shares to Spring Healthcare (P) Limited and 199,005 Equity Shares to Sabre Capital (Mauritius) Limited	Further issue	2,487,562	10	201.00	Cash
November 11, 2014	Allotment of 30,314 Equity Shares to Dr. Sushant Agrawal	Allotment pursuant to exercise of stock options under ESOP 2009	30,314	10	40.00	Cash
May 26, 2015	Allotment of 29,808 Equity Shares to Dr. Maria Maledo Borges	Allotment pursuant to exercise of stock options under ESOP 2009	29,808	10	40.00	Cash

Date of allotment	Details of allottees	Reason for / Nature of allotment	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Form of consideration
November 8, 2016	Allotment of 15,600 Equity Shares to Pradeep X. Manuel, 6,500 Equity Shares to Harsha Sajnani, and 500 Equity Shares to Prakash Chand	Allotment pursuant to exercise of stock options under ESOP 2009	22,600	10	40.00	Cash
December 2, 2016	Allotment of 12,437,811 Equity Shares to NYLIM Jacob Ballas India Fund III LLC <sup>(3)</sup>	Conversion of compulsorily convertible preference shares of face value of ₹ 20 each	12,437,811	10	- <sup>(3)</sup>	Other than cash
February 10, 2017	Allotment of 66,000 Equity Shares to Sanjeev Vashishta	Allotment pursuant to exercise of stock options under ESOP 2013	66,000	10	201.00	Cash
May 26, 2017	Allotment of 25,067 Equity Shares to Dr. Deepa Dave and 11,661 Equity Shares to Abhijit Gorai	Allotment pursuant to exercise of stock options under ESOP 2009	36,728	10	40.00	Cash
May 30, 2017	Allotment of 5,970,149 Equity Shares to International Finance Corporation <sup>(4)</sup>	Conversion of compulsorily convertible preference shares of face value of ₹ 20 each	5,970,149	10	- <sup>(4)</sup>	Other than cash
September 4, 2017	Allotment of 27,397 Equity Shares to Dr. Leena Chatterjee	Allotment pursuant to exercise of stock options under ESOP 2009	27,397	10	40.00	Cash
May 28, 2018	Allotment of 7,869 Equity Shares to H.R. Hareesh	Allotment pursuant to exercise of stock options under ESOP 2009	7,869	10	40.00	Cash
<b>Total No. of Equity Shares</b>			<b>78,425,542</b>			

<sup>(1)</sup> The Board allotted 6,000,000 Equity Shares to RHC Holding Private Limited pursuant to conversion of 3,000,000 non-cumulative compulsorily convertible preference shares of face value of ₹ 100 each allotted pursuant to resolution of the Board dated June 23, 2009.

<sup>(2)</sup> Our Company (a) issued certain fully paid-up non-convertible debentures to Piramal Healthcare Limited, (b) paid certain cash consideration and allotted 5,199,899 Equity Shares to Piramal Healthcare Limited, Dr. Bhavin Jankharia, Dr. Avinash Phadke, as consideration for the purchase of the entire equity share capital of Piramal Diagnostic Services Private Limited pursuant to the share purchase, share allotment and debenture subscription agreement dated July 13, 2010, entered into amongst our Company, Piramal Healthcare Limited, Dr. Bhavin Jankharia, Dr. Avinash Phadke and Piramal Diagnostic Services Private Limited.

<sup>(3)</sup> 8,333,333 compulsorily convertible preference shares were allotted to NYLIM Jacob Ballas India Fund III LLC for a total issue price of ₹ 300 per compulsorily convertible preference share (including face value of ₹ 20 per compulsorily convertible preference share and share premium of ₹ 280 per compulsorily convertible preference share) for cash consideration aggregating to ₹ 2,499,999,900 pursuant to a resolution of our share allotment committee dated June 28, 2012. The said compulsorily convertible preference shares were converted to 12,437,811 Equity Shares of face value of ₹ 10 each pursuant to resolution of our share allotment and shareholders'/investors' grievance committee dated December 2, 2016, in accordance with the terms of conversion specified in share subscription agreement dated June 12, 2012, entered into amongst our Company, our Promoter, International Finance Corporation Limited, NYLIM Jacob Ballas India Fund III LLC and other parties.

<sup>(4)</sup> 4,000,000 compulsorily convertible preference shares were allotted to International Finance Corporation for a total issue price of ₹ 300 per compulsorily convertible preference share (including face value of ₹ 20 per compulsorily convertible preference share and share premium of ₹ 280 per compulsorily convertible preference share) for cash consideration aggregating to ₹ 1,200,000,000 pursuant to a resolution of our share allotment committee dated June 28, 2012. The said compulsorily convertible preference shares were converted to 5,970,149 Equity Shares of face value ₹ 10 each pursuant to resolution of our Board dated May 30, 2017, in accordance with the terms of conversion specified in share subscription agreement dated June 12, 2012, entered into amongst our Company, our Promoter, International Finance Corporation Limited, NYLIM Jacob Ballas India Fund III LLC and other parties.

(b) Our Company does not have any outstanding preference shares as on the date of filing of this Draft Red Herring Prospectus.

2. Our Company has not issued any Equity Shares out of its revaluation reserves since incorporation.
3. Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash:

Date of allotment	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Form of consideration	Details of allottees	Reason for / Nature of allotment	Benefits accrued to our Company
August 20, 2010	5,199,899	10	259.62	Other than cash	Allotment of 5,069,902 Equity Shares to Piramal Healthcare Limited, 77,998 Equity Shares to Dr. Avinash Phadke and 51,999 Equity Shares to Dr. Bhavin Jankharia	Issuance pursuant to acquisition of the equity share capital of Piramal Diagnostic Services Private Limited <sup>(1)</sup>	Improved our presence in western and southern markets of India.
December 2, 2016	12,437,811	10	-( <sup>2</sup> )	Other than cash	Allotment of 12,437,811 Equity Shares to NYLIM Jacob Ballas India Fund III LLC <sup>(2)</sup>	Conversion of compulsorily convertible preference shares of face value of ₹ 20 each	-
May 30, 2017	5,970,149	10	-( <sup>3</sup> )	Other than cash	Allotment of 5,970,149 Equity Shares to International Finance Corporation <sup>(3)</sup>	Conversion of compulsorily convertible preference shares of face value of ₹ 20 each	-

<sup>(1)</sup> Our Company (a) issued certain fully paid-up non-convertible debentures to Piramal Healthcare Limited, (b) paid certain cash consideration and allotted 5,199,899 Equity Shares to Piramal Healthcare Limited, Dr. Bhavin Jankharia, Dr. Avinash Phadke, as consideration for the purchase of the entire equity share capital of Piramal Diagnostic Services Private Limited pursuant to the share purchase, share allotment and debenture subscription agreement dated July 13, 2010, entered into amongst our Company, Piramal Healthcare Limited, Dr. Bhavin Jankharia, Dr. Avinash Phadke and Piramal Diagnostic Services Private Limited.

<sup>(2)</sup> 8,333,333 compulsorily convertible preference shares were allotted to NYLIM Jacob Ballas India Fund III LLC for a total issue price of ₹ 300 per compulsorily convertible preference share (including face value of ₹ 20 per compulsorily convertible preference share and share premium of ₹ 280 per compulsorily convertible preference share) for cash consideration aggregating to ₹ 2,499,999,900 pursuant to a resolution of our share allotment committee dated June 28, 2012. The said compulsorily convertible preference shares were converted to 12,437,811 Equity Shares of face value of ₹ 10 each pursuant to resolution of our share allotment and shareholders'/investors' grievance committee dated December 2, 2016, in accordance with the terms of conversion specified in share subscription agreement dated June 12, 2012, entered into amongst our Company, our Promoter, International Finance Corporation Limited, NYLIM Jacob Ballas India Fund III LLC and other parties.

<sup>(3)</sup> 4,000,000 compulsorily convertible preference shares were allotted to International Finance Corporation for a total issue price of ₹ 300 per compulsorily convertible preference share (including face value of ₹ 20 per compulsorily convertible preference share and share premium of ₹ 280 per compulsorily convertible preference share) for cash consideration aggregating to ₹ 1,200,000,000 pursuant to a resolution of our share allotment committee dated June 28, 2012. The said compulsorily convertible preference shares were converted to 5,970,149 Equity Shares of face value ₹ 10 each pursuant to resolution of our Board dated May 30, 2017, in accordance with the terms of conversion specified in share subscription agreement dated June 12, 2012, entered into amongst our Company, our Promoter, International Finance Corporation Limited, NYLIM Jacob Ballas India Fund III LLC and other parties.

4. Our Company has not allotted any Equity Shares in terms of any scheme approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.
5. Our Company has not issued any Equity Shares, during a period of one year preceding the date of this Draft Red Herring Prospectus.
6. All Equity Shares transferred pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

7. Except for stock options granted pursuant to ESOP 2009 or ESOP 2013, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person with an option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.
8. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

## Shareholding Pattern of our Company

The table below presents 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 Equity 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 convertible securities (including warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (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)
								Number of voting rights			Total as a % of (A+B+C)			Number (a)	As a % of total Equity Shares held (b)	Number (a)	As a % of total Equity Shares held (b)	
								Class eg: Equity Shares	Class eg: others	Total								
(A)	Promoter and Promoter Group	1	45,236,779	-	-	45,236,779	57.68	45,236,779	-	45,236,779	57.68	-	57.68	-	-	-	-	45,236,779
(B)	Public	19	33,188,763	-	-	33,188,763	42.32	33,188,763	-	33,188,763	42.32	-	42.32	-	-	-	-	33,188,763
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)(1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C(2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total (A)+(B)+(C)</b>	<b>20</b>	<b>78,425,542</b>	<b>-</b>	<b>-</b>	<b>78,425,542</b>	<b>100.00</b>	<b>78,425,542</b>	<b>-</b>	<b>78,425,542</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78,425,542</b>

## 9. Major shareholders

As on the date of this Draft Red Herring Prospectus, our Company has a total of 20 shareholders.

The list of our major Shareholders and the number of Equity Shares held by them is provided below:

- (a) The details of our Shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the Shareholder	Number of Equity Shares	% of the pre-Offer share capital (%)	% of the pre-Offer share capital on a fully diluted basis (%) <sup>#</sup>
1.	Fortis Healthcare Limited	45,236,779	57.68	57.11
2.	NYLIM Jacob Ballas India Fund III LLC	12,437,811	15.86	15.70
3.	Resurgence PE Investments Limited	6,310,315	8.05	7.97
4.	International Finance Corporation	5,970,149	7.61	7.54
5.	Axis Bank Limited	4,300,000	5.48	5.43
6.	Prime Trust	2,000,000	2.55	2.52
7.	Logos Holding Company Private Limited	1,519,772	1.94	1.92
<b>Total</b>		<b>77,774,826</b>	<b>99.17</b>	<b>98.19</b>

*# Assuming the exercise of the vested options.*

- (b) The details of our Shareholders who held 1% or more of the paid-up Equity Share capital of our Company, ten days prior to the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the Shareholder	Number of Equity Shares	% of the pre-Offer share capital (%)	% of the pre-Offer share capital on a fully diluted basis (%) <sup>#</sup>
1.	Fortis Healthcare Limited	45,236,779	57.68	57.11
2.	NYLIM Jacob Ballas India Fund III LLC	12,437,811	15.86	15.70
3.	Resurgence PE Investments Limited	6,310,315	8.05	7.97
4.	International Finance Corporation	5,970,149	7.61	7.54
5.	Axis Bank Limited	4,300,000	5.48	5.43
6.	Prime Trust	2,000,000	2.55	2.52
7.	Logos Holding Company Private Limited	1,519,772	1.94	1.92
<b>Total</b>		<b>77,774,826</b>	<b>99.17</b>	<b>98.19</b>

*# Assuming the exercise of the vested options.*

- (c) The details of our shareholders who held 1% or more of the paid-up equity share capital of our Company, one year prior to the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the Shareholder	Number of Equity Shares	% of the pre-Offer share capital (%)	% of the pre-Offer share capital on a fully diluted basis (%) <sup>#</sup>
1.	Fortis Healthcare Limited	45,236,779	57.68	57.11
2.	NYLIM Jacob Ballas India Fund III LLC	12,437,811	15.86	15.70
3.	Resurgence PE Investments Limited	6,310,315	8.05	7.97
4.	International Finance Corporation	5,970,149	7.61	7.54
5.	Axis Bank Limited	4,300,000	5.48	5.43
6.	Prime Trust	2,000,000	2.55	2.52

S. No.	Name of the Shareholder	Number of Equity Shares	% of the pre-Offer share capital (%)	% of the pre-Offer share capital on a fully diluted basis (%) <sup>#</sup>
7.	Logos Holding Company Private Limited	1,949,772	2.49	2.46
<b>Total</b>		<b>78,204,826</b>	<b>99.72</b>	<b>98.73</b>

*# Assuming the exercise of the vested options.*

- (d) The details of our shareholders who held 1% or more of the paid-up equity share capital of our Company, two years prior to the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the Shareholder	Number of Equity Shares	% of the pre-Offer share capital (%)	% of the pre-Offer share capital on a fully diluted basis (%) <sup>#</sup>
1.	Fortis Healthcare Limited	45,236,779	57.68	57.09
2.	NYLIM Jacob Ballas India Fund III LLC	12,437,811	15.86	15.70
3.	Resurgence PE Investments Limited	6,310,315	8.05	7.96
4.	International Finance Corporation	5,970,149	7.61	7.53
5.	Axis Bank Limited	4,300,000	5.48	5.43
6.	Prime Trust	2,000,000	2.55	2.52
7.	Logos Holding Company Private Limited	1,949,772	2.49	2.46
<b>Total</b>		<b>78,204,826</b>	<b>99.72</b>	<b>98.69</b>

*# Assuming the exercise of the vested options.*

#### 10. Details of Shareholding of our Promoter and members of the Promoter Group in our Company

##### (i) *Equity Shareholding of the Promoter*

As on the date of this Draft Red Herring Prospectus, our Promoter holds 45,236,779 Equity Shares, equivalent to 57.68% of the issued, subscribed and paid-up Equity Share capital of our Company, as set forth in the table below.

S. No.	Name of the Shareholder	Pre-Offer Equity Share Capital		Post-Offer Equity Share Capital	
		No. of Equity Shares	% of total Shareholding (%)	No. of Equity Shares	% of total Shareholding
1.	Fortis Healthcare Limited	45,236,779	57.68	[•]	[•]
<b>Total</b>		<b>45,236,779</b>	<b>57.68</b>	<b>[•]</b>	<b>[•]</b>

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

The build-up of the equity shareholding of our Promoter since the incorporation of our Company is set forth in the table below:

<b>Date of allotment / transfer / transmission</b>	<b>Nature of issue/ transaction</b>	<b>No. of Equity Shares</b>	<b>Nature of consideration</b>	<b>Face value per Equity Share (₹)</b>	<b>Issue price / Transfer price per Equity Share (₹)</b>	<b>Cumulative No. of Equity Shares</b>	<b>Percentage of the pre-Offer share capital (%)</b>	<b>Percentage of post-Offer share capital (%)</b>
May 12, 2011	Transfer from Oscar Investments Limited	16,674,359	Cash	10	188.00	16,674,359	21.26	[•]
May 12, 2011	Transfer from Malav Holdings Private Limited	7,437,330	Cash	10	188.00	24,111,689	9.48	[•]
May 12, 2011	Transfer from Shivi Holdings Private Limited	7,437,329	Cash	10	188.00	31,549,018	9.48	[•]
May 12, 2011	Transfer from RHC Holding Private Limited	6,000,000	Cash	10	188.00	37,549,018	7.65	[•]
May 12, 2011	Transfer from Maple Leaf Buildcon Private Limited	5,199,899	Cash	10	188.00	42,748,917	6.63	[•]
May 12, 2011	Transfer from Sanjeev Singhal <sup>#</sup>	100	Cash	10	188.00	42,749,017	Negligible	[•]
May 12, 2011	Transfer from Chandershekhar Jha <sup>#</sup>	100	Cash	10	188.00	42,749,117	Negligible	[•]
May 12, 2011	Transfer from Hemant Dhingra <sup>#</sup>	100	Cash	10	188.00	42,749,217	Negligible	[•]
October 5, 2015	Transfer from IL&FS Trust Company Limited (as a trustee for the benefit of Spring Healthcare India Trust)	1,691,542	Cash	10	423.00	44,440,759	2.16	[•]
October 5, 2015	Transfer from Sabre Partner Trust	199,005	Cash	10	423.00	44,639,764	0.25	[•]
October 14, 2015	Transfer from Spring Healthcare (P) Limited	597,015	Cash	10	423.00	45,236,779	0.76	[•]
<b>Total No. of Equity Shares</b>		<b>45,236,779</b>					<b>57.68</b>	<b>[•]</b>

<sup>#</sup>As nominee of Oscar Investments Limited.



(iii) All the Equity Shares held by our Promoter were fully paid-up on the respective dates of allotment of such Equity Shares. As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoter are subject to any pledge.

(iv) **Shareholding of our Promoter Group and the directors of our Promoter**

As on the date of this Draft Red Herring Prospectus, none of the members of the Promoter Group and the directors of our Promoter hold any Equity Shares.

**11. Details of Promoter’s Contribution and Lock-in**

- (i) In accordance with Regulation 14 and Regulation 16(1) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoter (assuming exercise of vested options, if any, under the ESOP Schemes), shall be locked in for a period of 18 months, or such other period as may be prescribed under the SEBI ICDR Regulations, as minimum promoter’s contribution from the date of Allotment (“**Promoter’s Contribution**”), and our Promoter’s shareholding in excess of 20% of the fully diluted post-Offer equity share capital shall be locked in for a period of six months from the date of Allotment or such other period as may be prescribed under the SEBI ICDR Regulations.
- (ii) The details of the Equity Shares to be locked-in for a period of 18 months, or such other period as prescribed under the SEBI ICDR Regulations, from the date of Allotment as Promoter’s Contribution are set forth in the table below:

Name of Promoter	Number of Equity Shares locked-in <sup>(1)(2)</sup>	Date of allotment/transfer	Nature of transaction	Face value per Equity Share (₹)	Issue/acquisition price per Equity Share (₹)	Percentage of pre-Offer paid-up Equity Share capital	Percentage of post-Offer paid-up Equity Share capital*	Date up to which the Equity Shares are subject to lock in
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total</b>	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

\* Subject to finalisation of the Basis of Allotment.

(1) For a period of 18 months or such other period as prescribed under SEBI ICDR Regulations from the date of Allotment.

(2) All Equity Shares were fully paid-up at the time of Allotment.

- (iii) Our Promoter has given its consent to include such number of Equity Shares held by it as disclosed above, constituting 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoter’s Contribution. Our Promoter has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoter’s Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.
- (iv) Our Company undertakes that the Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoter’s Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the equity share capital held by our Promoter, see “-Build-up of the Promoter’s shareholding in our Company” on page 92.

In this connection, we confirm that the Equity Shares considered as Promoter’s Contribution:

- (a) have not been acquired during the immediately preceding three years from the date of this Draft Red Herring Prospectus for consideration other than cash, involving any revaluation of assets or capitalisation of intangible assets;
- (b) did not result from a bonus issue of Equity Shares during the immediately preceding three years from the date of this Draft Red Herring Prospectus, by utilisation of revaluation reserves or unrealised profits of the Company, or from bonus issue against Equity Shares which are otherwise ineligible for Promoter’s Contribution;

- (c) are not acquired or subscribed to during the immediately preceding year from the date of this Draft Red Herring Prospectus; and
- (d) are not subject to any pledge or any other encumbrance.

Further, our Company has not been formed by conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm.

## 12. **Details of Equity Shares locked-in for six months:**

In addition to 20% of the fully diluted post-Offer shareholding of our Company held by our Promoter and locked-in for a period of 18 months as specified above, in terms 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, including any unsubscribed portion of the Offer for Sale, and excluding any other categories of Shareholders exempted under Regulation 17 of 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.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by the Promoter, which are locked-in may be transferred to members of the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in; in the hands of the transferees for the remaining period and in compliance with the SEBI Takeover Regulations, as applicable. Such transferees are not eligible to transfer such transferred Equity Shares till the expiry of the lock-in period.

Pursuant to Regulation 21(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoter, which are locked-in for a period of 18 months from the date of Allotment may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that such loans have been granted by such bank or institution for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of such loans, which is not applicable in the context of this Offer.

Pursuant to Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoter which are locked-in for a period of 6 months from the date of Allotment may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that pledge of the Equity Shares is one of the terms of sanction of such loans.

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

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoter prior to the Offer 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 along with the Equity Shares proposed to be transferred, subject to continuation of the lock-in in the hands of transferee for the remaining period and compliance with the SEBI Takeover Regulations. Such transferee shall not be eligible to transfer until the expiry of the lock -in period and compliance with the Takeover Regulations.

## 13. **Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors**

Fifty percent of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 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.

- 14. Except for the issuance of Equity Shares pursuant to exercise of options granted or to be granted under the ESOP 2009 and ESOP 2013, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible

into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or otherwise.

15. Except for the issuance of Equity Shares pursuant to exercise of options granted or to be granted under the ESOP 2009 and ESOP 2013, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares are listed on the Stock Exchanges.
16. Our Promoter, the members of our Promoter Group, the Directors of our Company and their relatives, and the directors of our Promoter, have not purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.
17. There have been no financing arrangements whereby members of our Promoter Group, our Directors and their relatives, and the directors of our Promoter have financed the purchase by any other person of securities of our Company other than in the normal course of business, during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
18. Neither our Company, nor any of our Directors have entered into any buy-back arrangements for purchase of Equity Shares being offered through this Offer from any person. Further, the BRLMs have not made any buy-back arrangements for purchase of Equity Shares being offered through this Offer from any person.
19. Our Promoter and the members of our Promoter Group shall not participate in the Offer.
20. No person connected with the Offer, including, but not limited to, the BRLMs, the Syndicate Members, our Company, our Directors, members of the Promoter Group, the Promoter or Group Companies, shall offer or provide any incentive, 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,.
21. Except as disclosed below, as on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 do not hold any Equity Shares of our Company:

Sr. No.	Name	No. of Equity Shares	Percentage of the pre-Offer paid up share capital (%)
1.	Axis Bank Limited	4,300,000	5.48
<b>Total</b>		<b>4,300,000</b>	<b>5.48</b>

The BRLMs and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

22. The BRLMs and associates of the BRLMs cannot apply in the Offer under the Anchor Investor Portion, except for Mutual Funds sponsored by entities which are associates of the BRLMs, insurance companies promoted by entities which are associates of the BRLMs, AIFs sponsored by entities which are associates of the BRLMs, FPIs (other than individuals, corporate bodies and family offices) which are associates of the BRLMs and pension funds sponsored by entities which are associates of the BRLMs.
23. Our Company shall ensure that all transactions in the securities of the Company by our Promoter and the Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transactions.
24. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
25. None of the Directors, Key Managerial Personnel or Senior Management of our Company, hold any Equity Shares in our Company.
26. **Employee Stock Option Schemes of our Company**

(i) **ESOP 2009**

Our Company, pursuant to a resolution passed by our Board on June 23, 2009, and the resolution

passed by the Shareholders on August 17, 2009, adopted ESOP 2009. The ESOP 2009 is in compliance with the SEBI SBEB Regulations and was last amended by the special resolution passed by our Shareholders on September 8, 2023.

As on the date of this Draft Red Herring Prospectus, 1,517,470 options have been granted by our Company under ESOP 2009. The details of the ESOP 2009 are as follows:

Particulars	Details <sup>#</sup>			
	Fiscal 2021	Fiscal 2022	Fiscal 2023	From April 1, 2023 till the date of the DRHP
Options granted during the period	Nil	Nil	Nil	Nil
Options vested (including options that have been exercised) during the period	Nil	Nil	Nil	Nil
Options exercised during the period	Nil	Nil	Nil	Nil
Options forfeited/ lapsed/ cancelled during the period	16,860	Nil	Nil	Nil
Options outstanding (including vested and unvested options) at the end of the period	4,87,018	5,13,209*	5,13,209	5,13,209
Exercise price of options (in ₹ per Share) of outstanding options	40.00	40.00	40.00	40.00
Total no. of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options) at the end of the period	4,87,018	5,13,209	5,13,209	5,13,209
Variation in terms of options	NA	NA	NA	NA
Money realised by exercise of options (In ₹ million) during the period	Nil	Nil	Nil	Nil
Total no. of options in force at the end of the period	4,87,018	5,13,209	5,13,209	5,13,209
Employee wise details of options granted to (during the period)				
(i) Key management personnel / Senior management personnel	Not Applicable			
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Not Applicable			
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants)	Not Applicable			

Particulars	Details <sup>#</sup>			
	Fiscal 2021	Fiscal 2022	Fiscal 2023	From April 1, 2023 till the date of the DRHP
and conversions) of our Company at the time of grant				
Fully diluted EPS on a pre-Offer basis pursuant to the issue of equity shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share' (in ₹)	16.62	70.21	14.76	Not Applicable
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	Not Applicable			
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Not Applicable			
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI ESOP Regulations in respect of options granted in the last three years	Not applicable since there were no options granted in last three years.			
Intention of the key managerial personnel, Senior management personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell	None of the whole-time directors, key managerial personnel, senior managerial personnel hold any Equity Shares in the Company, allotted on exercise of options granted under an employee stock option scheme/ employee stock purchase scheme.			

Particulars	Details <sup>#</sup>			
	Fiscal 2021	Fiscal 2022	Fiscal 2023	From April 1, 2023 till the date of the DRHP
their Equity Shares within three months after the date of listing of the Equity Shares in the initial public offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any				
Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme, within three months after the date of listing, by directors, key managerial personnel, senior managerial personnel and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)				None of the whole-time directors, key managerial personnel, senior managerial personnel and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions), holding vested employee stock option, intend to sell any Equity Shares in the Company arising out of an employee stock option scheme or allotted under an employee stock purchase scheme.

\* Including 26,191 ESOPs reinstated during the year

# As certified by N B T and Co, Chartered Accountants by way of their certificate dated September 29, 2023.

## (ii) ESOP 2013

Our Company, pursuant to a resolution passed by our Board on August 23, 2013, and the resolution passed by the Shareholders on September 20, 2013 adopted ESOP 2013. The ESOP 2013 is in compliance with the SEBI SBEB Regulations and was last amended by the special resolution passed by our Shareholders on September 8, 2023.

As on the date of this Draft Red Herring Prospectus, 1,445,937 options (including 1,195,937 options originally granted and 250,000 options which were cancelled and further granted) have been granted by our Company under ESOP 2013. The details of the ESOP 2013 are as follows:

Particulars	Details <sup>#</sup>			
	Fiscal 2021	Fiscal 2022	Fiscal 2023	From April 1, 2023 till the date of the DRHP
Options granted during the period	Nil	Nil	Nil	Nil
Options vested (including options that have been exercised) during the period	218,143	36,300	5,610	Nil
Options exercised during the period	Nil	Nil	Nil	Nil
Options forfeited/ lapsed/ cancelled during the period	231,000	25,000	Nil	Nil
Options outstanding (including vested and	296,500	271,500	271,500	271,500

Particulars	Details <sup>#</sup>			
	Fiscal 2021	Fiscal 2022	Fiscal 2023	From April 1, 2023 till the date of the DRHP
unvested options) at the end of the period				
Exercise price of options (in ₹ per Share) of outstanding options	428.00	428.00	428.00	428.00
Total no. of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options) at the end of the period	296,500	271,500	271,500	271,500
Variation in terms of options	NA	NA	NA	NA
Money realised by exercise of options (In ₹ million) during the period	Nil	Nil	Nil	Nil
Total no. of options in force at the end of the period	296,500	271,500	271,500	271,500
Employee wise details of options granted to (during the period)				
(i) Key management personnel / Senior management personnel	Not Applicable			
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Not Applicable			
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Not Applicable			
Fully diluted EPS on a pre-Offer basis pursuant to the issue of equity shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share' (in ₹)	16.62	70.21	14.76	Not Applicable
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company had used fair	Not Applicable			

Particulars	Details <sup>#</sup>			
	Fiscal 2021	Fiscal 2022	Fiscal 2023	From April 1, 2023 till the date of the DRHP
value of options and impact of this difference on profits and EPS of the Company				
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Not Applicable			
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI ESOP Regulations in respect of options granted in the last three years	Not applicable since there were no options granted in last three years.			
Intention of the key managerial personnel, Senior management personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the initial public offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any	None of the whole-time directors, key managerial personnel, senior managerial personnel hold any Equity Shares in the Company, allotted on exercise of options granted under an employee stock option scheme/ employee stock purchase scheme.			
Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme, within three months after the date of listing, by directors, key managerial personnel, senior managerial personnel and employees having Equity Shares issued under an employee stock option	None of the whole-time directors, key managerial personnel, senior managerial personnel and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions), holding vested employee stock option, intend to sell any Equity Shares in the Company arising out of an employee stock option scheme or allotted under an employee stock purchase scheme.			



Particulars	Details <sup>#</sup>			
	Fiscal 2021	Fiscal 2022	Fiscal 2023	From April 1, 2023 till the date of the DRHP
scheme or employee stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)				

*# As certified by N B T and Co, Chartered Accountants, by way of their certificate dated September 29, 2023.*

## OBJECTS OF THE OFFER

The Offer comprises of the Offer for Sale by the Selling Shareholders.

### The Objects of the Offer

The objects of the Offer are to (i) achieve the benefits of listing the Equity Shares on the Stock Exchanges; and (ii) carry out the Offer for Sale of up to 14,233,964 Equity Shares by the Selling Shareholders namely International Finance Corporation, NYLIM Jacob Ballas India Fund III LLC and Resurgence PE Investments Limited to meet the obligations to provide an exit to such Selling Shareholders by our Company and our Promoter under the 2012 Shareholders' Agreement read with the Amendment Agreement. For further details, see "The Offer" on page 69. Further, our Company expects that the proposed listing of its Equity Shares will enhance our visibility and brand image as well as provide a public market for the Equity Shares in India.

### Utilisation of the Offer Proceeds

The Selling Shareholders will be entitled to the entire proceeds of the Offer after deducting the Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer.

### Offer Related Expenses

The Offer expenses are estimated to be approximately ₹ [●] million. The Offer expenses comprise of, among other things, listing fees, underwriting fee, selling commission and brokerage, fees payable to the Book Running Lead Managers, legal counsels, Registrar to the Offer, Banker(s) to the Offer, processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, CRTAs and CDPs, fees payable to the Sponsor Banks for Bids made by UPI Bidders, printing and stationery expenses, advertising and marketing expenses, auditors' fees and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

All costs and expenses in relation to the Offer (other than the listing fees) shall be borne by the Selling Shareholders, in accordance with Applicable Law, irrespective of whether the Offer is unsuccessful or withdrawn or not completed for any other reason whatsoever. It is clarified that all the payments in relation to expenses for the Offer shall, in the first instance, be settled by the Company on behalf of such Selling Shareholders and thereafter, each of the Selling Shareholders shall reimburse such expenses (including taxes thereon, if any) to the Company, on a *pro-rata* basis, in proportion to its respective portion of the Equity Shares offered in the Offer for Sale. The Selling Shareholders shall reimburse such expenses to the Company, only after the filing of the Draft Red Herring Prospectus, and within such period or in such frequencies as may be mutually agreed between the Parties.

The break-up for the estimated Offer expenses is as follows:

Activity	Estimated expenses <sup>(1)</sup> (₹ in million)	As a % of the total estimated Offer expenses <sup>(1)</sup>	As a % of the total Offer size <sup>(1)</sup>
Fees payable to the BRLMs and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank(s) and Bankers to the Offer and fee payable to the Sponsor Bank for Bids made by RIBs, brokerage, underwriting commission and selling commission, uploading fees and bidding charges for Members of the Syndicate, Registered Brokers, CRTAs and CDPs <sup>(2)(3)(4)(5)(6)</sup>	[●]	[●]	[●]
Fees payable to the Registrar to the Offer			
Advertising and marketing expenses	[●]	[●]	[●]
Fee payable to auditors, consultants and market research firms	[●]	[●]	[●]
Fees to regulators, including Stock Exchanges	[●]	[●]	[●]
Others	[●]	[●]	[●]
(i) Listing fees, SEBI, BSE and NSE processing fees, book building software fees and other regulatory expenses;			

Activity	Estimated expenses <sup>(1)</sup> (₹ in million)	As a % of the total estimated Offer expenses <sup>(1)</sup>	As a % of the total Offer size <sup>(1)</sup>
(ii) Printing and distribution of Offer related stationery;			
(iii) Fees payable to legal counsel; and			
(iv) Miscellaneous.			
<b>Total estimated Offer expenses</b>	[●]	[●]	[●]

(1) The Offer expenses will be incorporated in the Prospectus on finalization of the Offer Price. Offer expenses are estimates and are subject to change.

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

Portion for RIBs*	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●]% of the Amount Allotted (plus applicable taxes)

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

Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE. No additional processing fees shall be payable to the SCSBs on the applications directly procured by them.

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

Processing / uploading fees payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders which are procured by the members of the Syndicate / sub-Syndicate / Registered Broker / CRTAs / CDPs and submitted to SCSB for blocking, would be as follows:

Portion for RIBs*	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●]% of the Amount Allotted (plus applicable taxes)

(4) Selling commission on the portion for RIBs, Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for RIBs	[●]% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders	[●]% of the Amount Allotted* (plus applicable taxes)

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

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

Uploading charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹[●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

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.

(5) Selling commission/ uploading charges payable to the Registered Brokers on the portion for RIBs and Non-Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

Portion for RIBs*	₹ [●] per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	₹ [●] per valid application (plus applicable taxes)

\* Based on valid applications

(6) Uploading charges/ Processing fees for applications made by UPI Bidders would be as under:

Payable to members of the Syndicate (including their sub-Syndicate Members)/ RTAs / CDPs	₹ [●] per valid application (plus applicable taxes)
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<i>Payable to Sponsor Banks</i>	₹ [●] per valid application (plus applicable taxes) <i>The Sponsor Banks 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 applicable SEBI circulars, agreements and other Applicable Laws</i>
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*All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement.*

The processing fees for applications made by UPI Bidders 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 SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

### **Bridge Loan**

Our Company has not availed 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.

### **Monitoring utilization of funds from the Offer**

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

### **Other Confirmations**

There is no proposal whereby any portion of the Offer Proceeds will be paid to our Promoter, Promoter Group, Group Companies, Directors, Key Managerial Personnel or Senior Management Personnel. Further, there are no material existing or anticipated transactions in relation to the utilisation of the Offer Proceeds entered into or to be entered into by our Company with our Promoter, Promoter Group, Group Companies, Directors, Key Managerial Personnel or Senior Management Personnel.

## BASIS FOR THE OFFER PRICE

The Price Band and Offer Price and discount (if any) will be determined in accordance with applicable law and in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 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.

Bidders should read “Risk Factors”, “Our Business”, “Restated Consolidated Financial Information”, “Other Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 36, 170, 241, 312 and 316, 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 as follows:

1. Experienced pan-India diagnostics service provider with a diversified presence and a growing network that is well positioned to capitalize on the expected growth in the Indian diagnostics industry;
2. Comprehensive test offerings providing one stop solution for diagnostic requirements;
3. Advanced information technology platform supported by integrated systems enabling customer-centric initiatives;
4. Well-balanced B2C and B2B revenue mix;
5. Quality network of accredited laboratories supported by R&D capabilities focused on genomics and next-generation diagnostics; and
6. Strong parentage and experienced management team with significant industry experience.

For further details, see “Our Business –Strengths” on page 173.

### Quantitative Factors

Certain information presented below, relating to our Company, is derived from the Restated Consolidated Financial Information. For further details, see “Restated Consolidated Financial Information” beginning on page 241.

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”):

As derived from the Restated Consolidated Financial Information:

Financial Year	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Financial Year 2023	14.87	14.76	3
Financial Year 2022	70.73	70.21	2
Financial Year 2021	16.74	16.62	1
<b>Weighted Average</b>	<b>33.80</b>	<b>33.55</b>	

- (1) Basic EPS = Restated Profit for the year / Weighted average number of equity shares outstanding during the year.
- (2) Diluted EPS = Restated Profit for the year / Weighted average number of equity shares outstanding during the year and potential additional equity shares outstanding during the year.
- (3) Basic and diluted Earnings per Equity Share are computed in accordance with Indian Accounting Standard 33.
- (4) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.

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

Particulars	P/E at the lower end of Price Band (no. of times)	P/E at the higher end of Price Band (no. of times)
Based on Basic EPS for Financial Year 2023	[●]	[●]
Based on Diluted EPS for Financial Year 2023	[●]	[●]

\*To be updated at the price band stage.

Notes:

- (1) P/E ratio has been computed dividing the price per share by Earnings per Equity Share.

### 3. Industry P/E ratio

Particulars	P/E Ratio
Highest	83.19
Lowest	46.85
Industry Composite	59.38

Notes:

- (1) The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.
- (2) The industry P/E ratio mentioned above is computed based on the closing market price of equity shares on NSE on September 21, 2023 divided by the Diluted EPS for the financial year ended March 31, 2023

### 4. Return on Net Worth (“RoNW”)

As derived from the Restated Consolidated Financial Information of our Company:

Financial Year	RoNW%	Weight
Financial Year 2023	6.61	3
Financial Year 2022	38.34	2
Financial Year 2021	8.95	1
<b>Weighted Average</b>	<b>17.58</b>	-

Notes:

- (1) Return on Net Worth (%) = Restated Profit for the year / Average Network.
- (2) Average Network = (Opening Network + Closing Net Worth)/2, where Net Worth means aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or 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 the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Further, capital reserve have been excluded when computing net worth since these were not created out of the profits.

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

Net Asset Value per Equity Share	(₹)
As on March 31, 2023	230.00
After the Offer	At Floor Price: [●]
	At Cap Price: [●]
Offer Price	[●]

Notes:

- (1) Net Asset Value per Equity Share (in ₹) = Net Worth at the end of the year / Weighted number of equity shares outstanding during the year, where Net Worth means aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or 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 the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Further, capital reserve have been excluded when computing net worth since these were not created out of the profits
- (2) Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

For further details of Non-GAAP measures, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures” on page 345.

### 6. Comparison of accounting ratios with listed industry peers

Name of Company	Face Value Per Share (₹)	Closing price on 21 <sup>st</sup> September, 2023 (₹)	Revenue from operations for Fiscal 2023 (₹ million)	EPS (₹)		P/E	Return on Net Worth (%)	Net Asset Value per Equity Share (₹)
				Basic	Diluted			
Agilus Diagnostics Limited	10.00	N.A.	13,474.62	14.87	14.76	N.A.	6.61%	230.00
<b>Peer Group</b>								
Dr Lal Path Labs	10.00	2390.95	20,169.00	28.82	28.74	83.19	14.90%	95.14

Name of Company	Face Value Per Share (₹)	Closing price on 21 <sup>st</sup> September, 2023 (₹)	Revenue from operations for Fiscal 2023 (₹ million)	EPS (₹)		P/E	Return on Net Worth (%)	Net Asset Value per Equity Share (₹)
				Basic	Diluted			
Metropolis	2.00	1420.90	11,527.33	27.91	27.81	51.09	15.26%	31.47
Thyrocare	10.00	568.80	5,270.60	12.16	12.14	46.85	12.12%	82.02
Vijaya Diagnostic	1.00	465.65	4,592.29	8.29	8.26	56.37	16.77%	52.75

Notes:

- (1) Face value per share is sourced from annual reports.
- (2) Closing price per share is closing price in NSE as on 21<sup>st</sup> September, 2023
- (3) Revenue from operations for Agilus is from Restated Consolidated Financial Information. For others, revenue from operations is operating income as per Crisil reclassification and calculation standards. (Source: CRISIL Report)
- (4) Basic and diluted EPS for Agilus is from Restated Consolidated Financial Information. For others, basic and diluted EPS is sourced from the publicly available financial results of the respective company for Fiscal 2023.
- (5) P/E Ratio has been computed based on the closing market price 21<sup>st</sup> September, 2023 of equity shares on NSE, divided by the Diluted EPS provided under Note 4 above.
- (6) For Agilus, Return on Net Worth = Restated profit for the year / Average Net Worth where Net Worth means aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or 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 the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Further, capital reserve have been excluded when computing net worth since these were not created out of the profits. For others, Return on networth = (PAT – Preference dividend)/ Average shareholders equity as per Crisil reclassification and calculation standards (Source: CRISIL Report).
- (7) For Agilus, NAV per share = Net worth / Weighted average number of equity shares outstanding during the year, where Networth means aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or 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 the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Further, capital reserve have been excluded when computing net worth since these were not created out of the profits. For others, NAV = (Tangible Networth \* Face value per share) / (Total paid up equity share capital) as per Crisil reclassification and calculation standards (Source: CRISIL Report)

For further details of Non-GAAP measures, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures” on page 345.

## 7. Key Performance Indicators (“KPIs”)

The tables below set forth the details of the KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated September 25, 2023. Further, the Audit Committee has confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs disclosed herein have been certified by N B T & Co, Chartered Accountants by their certificate dated September 29, 2023.

Our Company confirms that it shall continue to disclose all the KPIs included below in this section on a periodic basis, at least once in a year (or any lesser period as determined by our Board), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or for such other duration as may be required under the SEBI ICDR Regulations.

A list of our KPIs as of and for the Financial Years ended March 31, 2021, March 31, 2022, and March 31, 2023 is set out below:

Particulars	As of and for the year ended March 31,		
	2021	2022	2023
<b>Key Financial Indicators</b>			
Revenue from operations (₹ million)	10,350.73	16,049.11	13,474.62
Restated profit for the year (₹ million)	1,312.45	5,547.08	1,166.36
PAT Margin <sup>(1)</sup> (%)	12.68%	34.56%	8.66%
EBITDA <sup>(2)</sup> (₹ million)	2,442.04	7,323.95	2,626.26
Adjusted EBITDA <sup>(3)</sup> (₹ million)	2,442.04	4,262.52	2,626.26
EBITDA Margin <sup>(4)</sup> (%)	23.59%	45.63%	19.49%

Particulars	As of and for the year ended March 31,		
	2021	2022	2023
Adjusted EBITDA Margin <sup>(5)</sup> (%)	23.59%	26.56%	19.49%
Return on Equity <sup>(6)</sup> (%)	10.53%	34.91%	6.12%
Return on Capital Employed <sup>(7)</sup> (%)	20.61%	73.39%	20.17%
Net debt/equity	Nil	Nil	Nil
Average revenue per test (ARPT) <sup>(8)</sup> (₹)	439.91	363.27	344.88
Revenue per accession <sup>(9)</sup> (₹)	938.43	749.88	810.66
Working capital days <sup>(10)</sup>	30.33	32.97	46.06
Revenue generated from routine tests <sup>(11)</sup> as a % of total revenue	37.08%	40.32%	52.77%
Revenue generated from specialized tests <sup>(12)</sup> as a % of total revenue	57.09%	53.71%	38.07%
Revenue generated from wellness packages <sup>(13)</sup> as a % of total revenue	5.83%	5.97%	9.16%
<b>Key Operational Indicators</b>			
Number of laboratories	420	423	413
Number of patients served (million)	11.03	21.40	16.62
Number of tests performed (million)	23.53	44.18	39.07
Customer touch points (CTP)	2,250	3,050	3,757
Customer touch points (CTP) per laboratory <sup>(14)</sup>	5.36	7.21	9.10
Number of tests per patient visit <sup>(15)</sup>	2.13	2.06	2.35

Notes:

For reconciliation of Non-GAAP measures, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non- GAAP Measures” on page 345. Also see “Risk Factors –We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry we operate” on page 57.

- PAT Margin is the percentage of restated profit for the year divided by revenue from operations.
- EBITDA is calculated as restated profit for the year plus tax expenses, finance costs, depreciation and amortization expense.
- Adjusted EBITDA is calculated as restated profit for the year plus tax expenses, finance costs, depreciation and amortization expense and exceptional items.
- EBITDA Margin is the percentage of EBITDA divided by revenue from operations.
- Adjusted EBITDA Margin is the percentage of Adjusted EBITDA divided by revenue from operations.
- Return on Equity is calculated as restated profit for the year divided by average equity.
- Return on Capital Employed is calculated as a percentage of EBIT (i.e., calculated as restated profit for the year before tax expenses and finance costs) divided by capital employed (i.e., total equity plus total borrowings, lease liabilities, deferred tax liabilities excluding goodwill and other intangible assets).
- Average revenue per test is calculated as revenue from operations divided by the number of tests performed.
- Revenue per accession is calculated as revenue from operations divided by the number of patients served.
- Working capital days is calculated as Inventory days plus debtor days minus payable days.
- Routine tests include: (a) basic bio-chemistry tests such as blood sugar for diabetes and creatinine for kidney function; (b) basic haematology tests such as blood count; and (c) clinical pathology tests such as routine urine examination.
- Specialized tests are clinical laboratory tests that are not routine. Specialized tests include molecular diagnostics, protein chemistry, cellular immunology, flow-cytometry, genetics, cytogenetics, immunohistochemistry and advanced microbiology tests. They also include anatomic pathology testing for the diagnosis of cancer and other medical conditions through the examination of tissue and cell samples taken from patients, and include the disciplines of histopathology, cytopathology, clinical pathology and immunopathology.
- Wellness packages include a combination of tests based on age, sex, clinical history, parental history and affordability for our patients. In addition to pathology tests, the packages also include radiology tests such as ECG, X-ray, ultra-sound and stress test.
- CTP per laboratory is calculated as number of CTPs divided by number of laboratories.
- Number of tests per patient visit is calculated as number of tests divided by number of patients/accession.

For details of other performance indicators disclosed elsewhere in this Draft Red Herring Prospectus, see “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 170 and 316.

### **Description on the historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company**

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs are not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation.



Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results, when taken collectively with financial measures prepared in accordance with Ind AS. For further details, see “*Risk Factors – External Risk Factors - Risks Relating to the Offer and the Equity Shares - The determination of the Price Band is based on various factors and assumptions, and the Offer Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Offer.*” on page 64.

Explanation for the key operational and financial metrics:

S. No.	Name of Metric	Description
1.	Revenue from operations (₹ million)	This metric is used by the management to track revenue generated from each laboratory and overall revenue growth over multiple periods.
2.	Restated profit for the year (₹ million)	Tracking restated profit for the year helps us track the overall profitability of our business after tax.
3.	PAT Margin (%)	Tracking PAT margin assists in tracking the margin profile of our business and allows comparison of results over multiple periods.
4.	EBITDA (₹ million)	Tracking EBITDA helps us identify underlying trends in our business and facilitates evaluation of year-on-year operating performance of our operations by eliminating items that are variable in nature and not considered by us in the evaluation of ongoing operating performance and allowing comparison of our recurring core business operating results over multiple periods.
5.	Adjusted EBITDA (₹ million)	This metric helps us to track EBITDA after adjusting exceptional items.
6.	EBITDA margin (%)	Tracking EBITDA Margin assists in tracking the margin profile of our business and in understanding areas of our business operations which have scope for improvement.
7.	Adjusted EBITDA Margin (%)	This ratio helps us to track Adjusted EBITDA across multiple periods.
8.	Return on Equity (%)	This ratio helps our Company in measuring the returns generated from equity financing.
9.	Return on Capital Employed (%)	This ratio helps our Company in measuring the operating returns generated from total capital employed in the business.
10.	Net debt/equity	This metric helps our Company track the leverage position over multiple periods and deploy the modified strategies.
11.	Average revenue per test (ARPT) (₹)	This metric helps our Company to track the revenue it generates per test over multiple periods.
12.	Revenue per accession (₹)	This metric helps our Company to track the revenue it generates per accession (patient) over multiple periods.
13.	Working capital days	This metric helps our Company to track the days it takes to convert its working capital to revenue.
14.	Revenue generated from routine tests as a % of total revenue	This metric helps us understand the routine test revenue as % of total revenue, to understand the trends in the routine test segment.
15.	Revenue generated from specialized tests as a % of total revenue	This metric helps us understand the specialized test revenue as % of total revenue, to understand the trends in the specialized test segment.
16.	Revenue generated from wellness packages as a % of total revenue	This metric helps us understand the wellness packages revenue as % of total revenue, to understand the trends in the prevention and wellness segment.
17.	Number of laboratories	Analysis of the number of clinical laboratories periodically helps us understand the operational strength of our Company and how it varies over multiple periods.
18.	Number of patients served (million)	Analysis of the number of patients served over multiple periods helps us track the customer base of our Company - thereby modifying our business strategies accordingly.
19.	Number of tests performed (million)	Analysis of the number of tests performed over multiple periods helps us understand the trends in the diagnostic industry and the areas which need more focus.
20.	Customer touch points (CTP)	The CTPs tracks the number of collection centers and patient service centers over multiple periods.
21.	Customer touch points (CTP) per laboratory	This ratio helps us track the number of customer touch points serviced by one clinical laboratory over multiple periods.
22.	Number of tests per patient visit	This ratio helps us track the number of tests done for every patient over multiple periods.

**Comparison of financial KPIs of our Company and our listed peers**

While our peers listed in India (mentioned below), like us, operate in the same industry and may have similar offerings, our business may be different in terms of differing business models, different verticals serviced or focus areas or different geographical presence or serving certain segments or sub-segments of our customer base.

Parameter (FY23)	Agilus Diagnostics	Dr. Lal Pathlabs*	Metropolis Healthcare*	Thyrocare*	Vijaya Diagnostics*
Revenue from operations (₹ million) <sup>(1)</sup>	13,474.62	20,169.00	11,527.33	5,270.60	4,592.29
Restated Profit for the year <sup>(2)</sup> (₹ million)	1,166.36	2,410.77	1,433.94	643.60	852.07
PAT Margin <sup>(3)</sup> (%)	8.66%	11.95%	12.44%	12.21%	18.55%
EBITDA <sup>(4)</sup> (₹ million)	2,626.26	5,310.88	3,035.21	1,284.70	1,952.78
Adjusted EBITDA <sup>(5)</sup> (₹ million)	2,626.26	NA	NA	NA	NA
EBITDA Margin <sup>(6)</sup> (%)	19.49%	26.33%	26.33%	24.37%	42.52%
Adjusted EBITDA Margin <sup>(7)</sup> (%)	19.49%	NA	NA	NA	NA
Return on Equity <sup>(8)</sup> (%)	6.12%	14.90%	15.26%	12.12%	16.77%
Return on Capital Employed <sup>(9)</sup> (%)	20.17%	31.37%	42.37%	19.84%	17.11%
Net debt/Equity <sup>(10)</sup>	Nil	Nil	Nil	Nil	Nil
Average revenue per test (ARPT) <sup>(11)(23)</sup> (₹)	344.88	279	453	37	457
Revenue per accession <sup>(12)(23)</sup> (₹)	810.66	750	944	342	1,446
Working capital days <sup>(13)</sup>	46.06	(25.20)	(44.83)	90.07	(30.66)
Revenue generated from routine tests <sup>(14)(23)(24)</sup> as a % of total revenue	52.77%	32%	48%	NA	NA
Revenue generated from specialized tests <sup>(15)(23)(24)</sup> as a % of total revenue	38.07%	50%	39%	NA	NA
Revenue generated from wellness packages <sup>(14)(23)</sup> as a % of total revenue	9.16%	18% <sup>(16)</sup>	12%	40% <sup>(17)</sup>	12%
Number of laboratories <sup>(18)</sup>	413	277	175	31	17
Number of patients served (million) <sup>(23)</sup>	16.62	27	12	15	3
Number of tests performed (million) <sup>(23)</sup>	39.07	72 <sup>(19)</sup>	25	141	10
Customer touch points (CTP) <sup>(20)</sup>	3,757	5,102	3,675	NA	121
Customer touch points (CTP) per laboratory <sup>(21)(23)</sup>	9.10	18	21	NA	7
Number of tests per patient visit <sup>(22)(23)</sup>	2.35	3	2	9	3

Notes:

\*All values above are considered on a consolidated basis(Source: CRISIL Report)

(1) For Agilus, revenue from operations has been taken from Restated Consolidated Financial Information. For others, revenue from operations is operating income as per Crisil reclassification and calculation standards.

(2) For Agilus, Restated profit for the year has been taken from Restated Consolidated Financial Information. For others, Profit for the year is operating income as per Crisil reclassification and calculation standards.

(3) For Agilus, PAT margin = PAT/Revenue from operations. For others, PAT margin = PAT/Operating Income as per CRISIL Reclassification and calculation standards.

(4) For Agilus, EBITDA is calculated as restated profit for the year plus tax expenses, finance costs, depreciation and amortization expense. For others, EBITDA = OPBDIT + non-operating income; OPBDIT = Revenue from operations – cost of sales (As per Crisil reclassification and calculation standards)

(5) For Agilus, Adjusted EBITDA is calculated as restated profit for the year plus tax expenses, finance costs, depreciation and amortization expense and exceptional items.

(6) For Agilus, EBITDA Margin is the percentage of EBITDA divided by revenue from operations. For others, EBITDA margin = EBITDA / operating income (As per Crisil reclassification and calculation standards)

(7) For Agilus, Adjusted EBITDA margin = Adjusted EBITDA / Revenue from operations

(8) For Agilus, Return on Equity is calculated as restated profit for the year divided by average equity. For others, the values are calculated as per Schedule III of companies act.

- (9) For Agilus, Return on Capital Employed is calculated as a percentage of EBIT (i.e., calculated as restated profit for the year before tax expenses and finance costs) divided by capital employed (i.e., total equity plus total borrowings, lease liabilities, deferred tax liabilities excluding goodwill and other intangible assets). For others, the values are calculated as per Schedule III of companies act.
- (10) For others, Net Debt / Equity (Tangible Networth) = (Total debt – cash, cash equivalents and market securities) / tangible networth. The values are zero as the net debt is negative for the companies mentioned.
- (11) For Agilus, Average revenue per test is calculated as revenue from operations divided by the number of tests performed. For Metropolis, Healthcare and Vijaya Diagnostics, Realisation per test as reported by the company for the respective years has been considered. For Dr Lal PathLabs and Thyrocare, values are calculated using (Operating Income / no of tests).
- (12) For Agilus, Revenue per accession is calculated as revenue from operations divided by the number of patients served. For Metropolis Healthcare and Vijaya Diagnostics, Realisation per patient as reported by the company for the respective years has been considered. For Dr Lal PathLabs and Thyrocare, values are calculated using (Operating Income / no of patients).
- (13) For Agilus, Working capital days is calculated as Inventory days plus debtor days minus payable days. For others, Working capital days = Adjusted inventory days + debtor days – Adjusted payable days; Adjusted inventory days = (Total Inventory / (material costs + traded goods)) \* 365; Debtor days = (Total receivables / net sales) \* 365; Adjusted payable days = (Creditor for goods / (material costs + traded goods + other expenses) \* 365.  
For adjusted inventory days the calculation doesn't include "cost of tests outsourced" for Agilus Diagnostics and "Laboratory testing charges" for Metropolis Healthcare, a similar line item has not been reported by other players considered above in their annual report for FY23.
- (14) For Agilus, Routine tests include: (a) basic bio-chemistry tests such as blood sugar for diabetes and creatinine for kidney function; (b) basic haematology tests such as blood count; and (c) clinical pathology tests such as routine urine examination. The Wellness packages include a combination of tests based on age, sex, clinical history, parental history and affordability for our patients. In addition to pathology tests, the packages also include radiology tests such as ECG, X-ray, ultra-sound and stress test. For others, Routine and wellness tests are basically screening tests, comprising basic immunology, haematology, and biochemistry tests, with a turnaround time of generally less than 6 hours. However, it is to be noted that this definition might vary from player to player and no such disclosure has been made by the players when disclosing the numbers considered above. For Metropolis Healthcare, Routine tests share include routine and semi-specialised share of the company.
- (15) For Agilus, Specialized tests are clinical laboratory tests that are not routine. Specialized tests include molecular diagnostics, protein chemistry, cellular immunology, flow-cytometry, genetics, cytogenetics, immunohistochemistry and advanced microbiology tests. They also include anatomic pathology testing for the diagnosis of cancer and other medical conditions through the examination of tissue and cell samples taken from patients, and include the disciplines of histopathology, cytopathology, clinical pathology and immunopathology. For others, Specialised tests help in deep diagnosis and analysis of diseases. Some of tests include oncology (cancer markers), genomic testing, and hepatitis testing. However, it is to be noted that this definition might vary from player to player and no such disclosure has been made by the players when disclosing the numbers considered above. For Dr Lal PathLabs, specialised segment includes specialised tests and less-frequently ordered tests.
- (16) For Dr Lal PathLabs, wellness test value is considered based on swasthfit package revenue for the company.
- (17) For Thyrocare, wellness segment share is calculated based on Aarogyam package revenue of the company
- (18) No of labs is not strictly comparable across players as definition for the same is not provided across players. Dr Lal PathLabs includes labs of Suburban Diagnostics (India) Pvt Ltd. Labs for Metropolis Healthcare includes labs of Hitech Diagnostics Centre Pvt Ltd as well. For Vijaya Diagnostic, national reference labs and reference labs are added to arrive at total labs.
- (19) Value indicates samples
- (20) Collection centres / customer touch points and pick-up points are not strictly comparable as each player has different definition. For Agilus Diagnostics, customer touch points include collection centres, which are centres operated by franchisees, and patient service centres, which are centres operated by the company. For Dr Lal PathLabs and Metropolis, the number indicates patient service centres. For Vijaya Diagnostics, Flagship centre, and hub and spoke centres are added to form value mentioned above.
- (21) For Agilus, CTP per laboratory is calculated as number of CTPs divided by number of laboratories. For others, Customer touch points (CTP) per laboratory Indicates number of customer touch points / collection centres serving one lab.
- (22) For Agilus, Number of tests per patient visit is calculated as number of tests divided by number of patients/accession. For others, Number of tests per patient visit = No of tests conducted in a year / No of patients served.
- (23) Apart from Agilus, for peers, values mentioned in the above table are rounded off to nearest zero decimal value for consistency as not all companies report the above values in single or double decimal. CRISIL has used numbers reported by the respective companies.
- (24) As per CRISIL Report, revenue generated from routine tests as % of total revenue and revenue generated from specialized tests as % of total revenue for Thyrocare and Vijaya Diagnostics is available on a consolidated basis, the same is 60% and 88% respectively for Thyrocare and Vijaya Diagnostics

For further details of Non-GAAP measures, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures” on page 345.

## 8. Disclosures in relation to valuation of our Company

### A. The price per share of our Company based on the primary / new issue of shares (equity / convertible securities)

Our Company has not allotted any Equity Shares or convertible securities, equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in the last 18 months preceding the date of this Draft Red Herring Prospectus, in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Primary Transactions”).

### B. The price per share of our Company based on secondary sale/ acquisitions of shares (equity / convertible securities)

None of our Promoter, members of the Promoter Group, Selling Shareholders or Shareholders with the right to nominate directors or other special rights have transferred or acquired Equity Shares, excluding gifts, equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in the last 18 months preceding the date of this Draft Red Herring Prospectus, in a single transaction or multiple transactions combined together over a span of rolling 30 days (“**Secondary Transactions**”).

### C. Price per share based on last five primary or secondary transactions

There are no such transactions to report to under (A) and (B) above. Therefore, the details of last primary transactions or secondary transactions (secondary transactions where Promoter, Promoter Group, Selling Shareholders, or Shareholders with the right to nominate directors or other special rights are a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions:

#### I. Primary Transactions:

There have been no primary transactions in the last three years preceding the date of this Draft Red Herring Prospectus.

#### II. Secondary Transactions:

There have been no secondary transactions by the Promoter, members of the Promoter Group, Selling Shareholders or Shareholders with the right to nominate directors or other special rights of our Company in the last three years preceding the date of this Draft Red Herring Prospectus.

### Weighted average cost of acquisition, floor price and cap price

In respect of the above transactions, set out below are the details of the weighted average cost of acquisition as compared to the Floor Price and Cap Price:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor price (i.e., ₹ [●])*	Cap price (i.e., ₹ [●])*
WACA of Primary Transactions	NA	[●]	[●]
WACA of Secondary Transactions	NA	[●]	[●]
Since there were no Primary Transactions or Secondary Transactions during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions (where Promoter/Promoter Group entities or Selling Shareholders or Shareholders with the right to nominate directors or other special rights), are a party to the transaction, not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of the transaction			
- Based on primary transactions	NA	[●]	[●]
- Based on secondary transactions	NA	[●]	[●]

\*To be included on finalisation of Price Band

Note: As certified by N B T and Co, Chartered Accountants, pursuant to their certificate dated September 29, 2023.

### D. Justification for Basis of Offer Price

- The following provides a detailed explanation for the Offer Price/Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by our Promoter, the Promoter Group, Selling Shareholders or Shareholders with the right to nominate directors or other special rights by way of primary and secondary transactions as disclosed above, in the last 18 months preceding the date of this Draft Red Herring Prospectus compared to our Company’s KPIs and financial ratios for the Financial Years 2021, 2022 and 2023.

[●]\*

Note: This will be included on finalisation of Price Band

2. The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by our Promoter, the Promoter Group, Selling Shareholders or Shareholders with the right to nominate directors or other special rights by way of primary and secondary transactions as disclosed above, in the last 18 months preceding the date of this Draft Red Herring Prospectus in view of external factors, if any which may have influenced the pricing of the Offer.

[●]\*

*Note: This will be included on finalisation of Price Band*

The Offer Price of ₹ [●] is [●] times of the face value of the Equity Shares and is justified in view of the above qualitative and quantitative parameters. The trading price of Equity Shares could decline due to factors mentioned in “*Risk Factors*” on page 36 and you may lose all or part of your investments.

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

The Board of Directors  
Agilus Diagnostics Limited (formerly known as SRL Limited)  
Fortis Hospital, Sector 62,  
Phase- VIII, Mohali,  
Punjab- 160062, India

Date: 28 September 2023

**Subject: Statement of possible special tax benefits (“the Statement”) available to Agilus Diagnostics Limited (formerly known as SRL Limited) (“the Company”), its shareholders and its material subsidiaries prepared in accordance with the requirement under Schedule VI – Part A - Clause (9) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“the ICDR Regulations”)**

This report is issued in accordance with the Engagement Letter dated 07 August 2023.

We hereby report that the enclosed **Annexure I** and **Annexure II** prepared by the Company, initialed by us for identification purpose, states the possible special-tax benefits available to the Company, its shareholders and its material subsidiaries, which is defined in **Annexure I (List of Material Subsidiaries considered as part of the Statement)**, under direct and indirect taxes (together “**the Tax Laws**”), presently in force in India as on the signing date, which are defined in **Annexure I**. These possible special tax benefits are dependent on the Company, its shareholders and its Material Subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company, its shareholders and its Material Subsidiaries to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company and its Material Subsidiaries may face in the future and accordingly, the Company, its shareholders and its Material Subsidiaries may or may not choose to fulfill.

The benefits discussed in the enclosed **Annexure II** cover the possible special tax benefits available to the Company, its shareholders and its Material Subsidiaries and do not cover any general tax benefits available to the Company, its shareholders and its Material Subsidiaries. Further, the preparation of the enclosed **Annexure II** and its contents is the responsibility of the Management of the Company. We were informed that the Statement is only intended to provide general information to 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 his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company (the “**Proposed 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 possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (the “**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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.

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

- (i) the Company, its shareholders and its Material Subsidiaries will continue to obtain these possible special tax benefits in future; or
- (ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of the enclosed Annexures are based on the information, explanation and representations obtained from the Company and its Material Subsidiaries, and on the basis of our understanding of the business activities and operations of the Company and its Material Subsidiaries.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Statement in the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, as applicable and in any other material used in connection with the Proposed Offer, and it is not to be used, referred to or distributed for any other purpose without our prior written consent.

*For* **BSR & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Rahul Nayar**  
*Partner*  
Membership No: 508605  
UDIN: 23508605BGZYIV5084

Place:  
Date: 28 September 2023

**ANNEXURE I**  
**LIST OF DIRECT AND INDIRECT TAX LAWS ('TAX LAWS')**

Sr. No:	Details of tax laws
1.	Income-tax Act, 1961 and Income-tax Rules, 1962
2.	Central Goods and Services Tax Act, 2017
3.	Integrated Goods and Services Tax Act, 2017
4.	State Goods and Services Tax Act, 2017

**LIST OF MATERIAL SUBSIDIARIES CONSIDERED AS PART OF THE STATEMENT (Note 1)**

1. Agilus Pathlabs Private Limited (formerly known as SRL Diagnostics Private Limited)
2. DDRC Agilus Pathlabs Limited (formerly known as DDRC SRL Diagnostics Limited)

Note 1: Material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, includes a subsidiary whose income or net worth in the immediately preceding year (i.e. 31 March 2023) exceeds 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediate preceding year.



## ANNEXURE II

### STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO AGILUS DIAGNOSTICS LIMITED (FORMERLY KNOWN AS SRL LIMITED) (“THE COMPANY”) AND ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARIES UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES (“TAX LAWS”)

Outlined below are the Possible Special Tax Benefits available to the Company, its shareholders and its Material Subsidiaries under the Tax Laws. These Possible Special Tax Benefits are dependent on the Company, its shareholders and its Material Subsidiaries fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company and its shareholders and its Material Subsidiaries to derive the Possible Special Tax Benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

#### UNDER THE DIRECT TAXES

##### A. Special tax benefits available to the Company and its Material Subsidiaries

###### Lower corporate tax rates on income of domestic companies - Section 115BAA of the Income-tax Act, 1961 ('the Act')

A new section 115BAA has been inserted in the Act by the Taxation Laws (Amendment) Act, 2019 (“the Amendment Act, 2019”) w.e.f. from FY 2019-20 relevant to AY 2020-21. Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%) and the option once exercised shall apply to subsequent assessment years. In such a case, the Company may not be allowed to claim any of the following deductions/exemptions:

- (i) Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
- (ii) Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
- (iii) Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
- (iv) 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)
- (v) Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
- (vi) Deduction under section 35CCD (Expenditure on skill development)
- (vii) Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M
- (viii) 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 from clause (i) to (vii) above
- (ix) 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 from clause (i) to (vii) above

Further, it was clarified by CBDT vide Circular No. 29/ 2019 dated 2 October 2019 that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.

In this regard, the Company and its material subsidiaries has opted to be covered under the provisions of Section 115BAA of the Act and would be eligible for a reduced tax rate of 22% (25.168% along with surcharge and education cess) from AY 2020-21.

###### Deduction in respect of inter-corporate dividends – Section 80M of the Act

As per the provisions of Section 80M of the Act, inserted with effect from 01 April 2021, a domestic company, shall be allowed to claim a deduction of dividend income earned from any other domestic company or a foreign company or a business trust. However, such deduction shall be restricted to the amount of dividend

distributed by it to its shareholders on or before the due date i.e., one month prior to the date of furnishing the return of income under sub-section (1) of section 139 of the Act.

#### Deductions in respect of employment of new employees – Section 80JJAA of the Act

As per Section 80JJAA of the Act, where a company is subject to tax audit under Section 44AB of the Act and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost (relating to specified category of employees) incurred in the course of such business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of Section JJAA of the act.

*Note: The Company is presently not claiming deduction under Section 80JJAA of the Act. However, this deduction could be claimed in the future subject to fulfillment of the conditions discussed above.*

### **B. Special tax benefits available to the Shareholders of the Company**

#### Dividend Income

- Dividend income earned by the shareholders would be taxable in their hands and the Company would be required to deduct tax at source on the dividend paid to the shareholders, at applicable rates. However, in case of domestic corporate shareholders, deduction under Section 80M of the Act would be available on fulfilling the conditions (as discussed above). In case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, and every artificial juridical person, surcharge would be restricted to 15%, irrespective of the amount of dividend.
- As per section 115A of the Act, dividend income earned by a non-resident (not being a company) or by a foreign company, shall be taxed at the rate of 20% subject to fulfilment of prescribed conditions under the Act.

#### Capital Gains

- As per Section 112A of the Act, long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) of such capital gains subject to fulfilment of prescribed conditions under the Act as well as per Notification No. 60/2018/F. No.370142/9/2017-TPL dated 1 October 2018. It is worthwhile to note that tax shall be levied where such capital gains exceed INR 100,000. Further, the Finance Act 2022 restricts surcharge to 15% in respect of Long Term Capital Gain (LTCG) arising from any capital asset.
- Section 112 of the Act provides for taxation of long-term capital gains;

In case of a domestic company / resident, amount of income-tax on long-term capital gains arising from the transfer of a capital asset shall be computed at the rate of 20%.

In case of non-resident (not being a company) or a foreign company, the amount of income-tax on long-term capital gains arising from the transfer of a capital asset (being unlisted securities or shares of a company not being a company in which the public are substantially interested) shall be calculated at the rate of 10% without giving effect to the first and second proviso to section 48.

Further, where the tax payable is payable in respect of any income arising from the transfer of a long-term capital asset, being listed securities (other than a unit) or zero-coupon bond, then such income will be subject to tax at the rate of 10% of the amount of capital gains before giving effect to the provisions of the second proviso to section 48.

- Where the gains arising on transfer of shares of the Company are included in the business income of a shareholder and assessable under the head “Profits and Gains of Business or Profession” and such transfer

is subjected to Securities Transaction Tax (STT), then such STT shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the Act.

- As per section 111A of the Act, short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 15% subject to fulfillment of prescribed conditions under the Act.
- As per section 115E of the Act, long term capital gains arising to non-resident Indian from transfer of shares in an Indian company which the shareholder has acquired in convertible foreign exchange shall be taxed at the rate of 10% subject to fulfilment of prescribed conditions under the Act.
- Further, any income by way of capital gains, dividends accruing to non-residents may be subject to withholding tax per the provisions of the Act or under the relevant Double Taxation Avoidance Agreement ('DTAA'), whichever is more beneficial to such non-resident. However, where such non-resident has obtained a lower withholding tax certificate from the tax authorities, the withholding tax rate would be as per the said certificate. The non-resident shareholders can also avail credit of any taxes paid by them, subject to local laws of the country in which such shareholder is resident.

*In respect of non-resident shareholders, the tax rates and the consequent taxation (in relation to capital gains, dividends etc.) shall be further entitled to any benefits available under the applicable DTAA, if any, between India and the country in which the non-resident has fiscal domicile.*

#### **NOTES:**

1. This Annexure is as per the Income-tax Act, 1961 as amended by the Finance Act, 2023 read with relevant rules, circulars and notifications applicable for the Financial Year 2022-23 relevant to the Assessment Year 2023-24, presently in force in India.
2. The ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India.
4. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
5. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.
6. No assurance is provided that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

#### **UNDER THE INDIRECT TAXES**

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

There are no special tax benefits available to the Company under the Indirect Taxes.

##### **B. *Special tax benefits available to Shareholders***

There are no special tax benefits available to the Shareholders under the Indirect Taxes.

**C. Special tax benefits available to Material Subsidiaries**

There are no special tax benefits available to the Material Subsidiaries under the Indirect Taxes.

**NOTES:**

1. The above is as per the current Tax Laws.
2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

**For Agilus Diagnostics Limited (formerly known as SRL Limited)**

**Anand Kuppuswamy**

*Managing Director and Chief Executive Officer*

Place: Gurugram

Date: 28 September 2023

## SECTION V – ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

Unless otherwise indicated, industry and market data used in this section has been derived from the report titled “Assessment of the diagnostics industry in India”, dated September 2023 and released by CRISIL MI&A, a division of CRISIL Limited (“**CRISIL Report**”). We have commissioned and we have on behalf of the Selling Shareholders paid for the CRISIL Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer pursuant to an engagement letter dated June 16, 2023, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company’s services, that may be similar to the CRISIL Report. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year, refers to such information for the relevant year. For the disclaimers associated with the CRISIL Report, see “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation - Industry and market data” on page 16. Also, see “Risk Factors - Internal Risks - Certain sections of this Draft Red Herring Prospectus disclose information from the CRISIL Report which has been prepared exclusively for the Offer and commissioned by our Company and paid for by our Company on behalf of the Selling Shareholders exclusively in connection with the Offer, and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.” on page 61. The CRISIL Report is available at the following web-link: <https://agilusdiagnostics.com/investors/draft-red-herring-prospectus-and-related-documents>. All references to years in this section are to calendar years.

#### Macroeconomic assessment

##### **India**

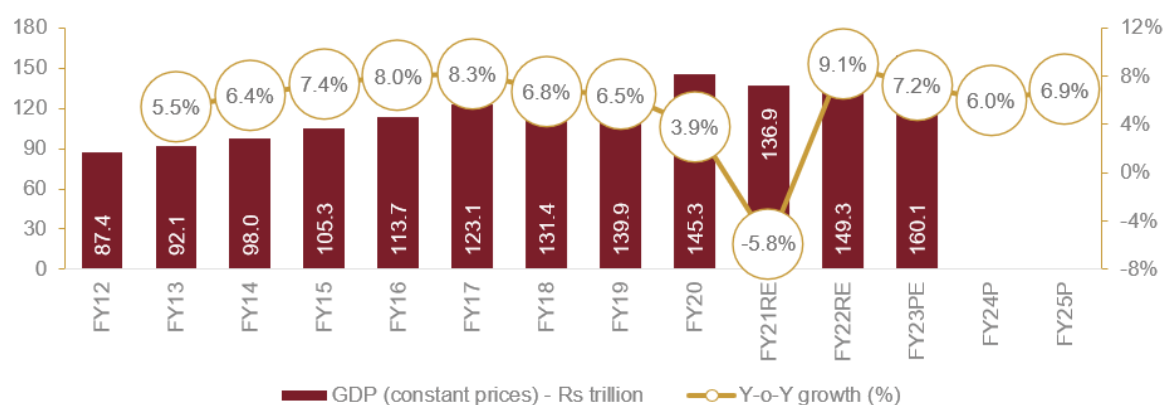
##### GDP logged 5.7% CAGR during Fiscals 2012-2023

India clocked a compound annual growth rate (CAGR) of 5.7% in gross domestic product (GDP) to reach ₹160 trillion in Fiscal 2023 from ₹87 trillion in Fiscal 2012.

In Fiscal 2022, the economy recovered from the pandemic-related stress as restrictions were eased and economic activity resumed, though the quarter did see inflation spiral due to geopolitical pressures. Resumption of economic activity and healthy trade flow led to a robust GDP growth of 9.1% for the year as against a decline of 5.8% in Fiscal 2021.

In Fiscal 2023, the GDP rose 7.2% on strong growth momentum propelled by domestic demand from investment and private consumption through the year. Share of investment in GDP rose to an 11-year high of 34% and that of private consumption to an 18-year high of 58.5%.

#### **Real GDP growth in India (new series) – Constant prices**



Notes: PE - Provisional estimates; RE - Revised estimates; P - Projected  
These values are reported by the government under various stages of estimates  
Only actuals and estimates of GDP are provided in the bar graph above

Source: Provisional estimates of national income 2022-2023 and quarterly estimates of GDP for the fourth quarter of 2022-2023, Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation (MoSPI), CRISIL MI&A

### CRISIL forecasts India's GDP to grow 6.0% in Fiscal 2024

After the robust growth in Fiscal 2023, a slowdown seems inevitable this Fiscal 2024, driven by rising borrowing costs. Over the past 15 months, central banks have aggressively raised policy rates to combat inflation. However, the hikes are getting transmitted to broader lending rates with a lag. The rates are expected to peak in Fiscal 2024, hitting both global and domestic demand. External demand will weaken further, with major advanced economies facing the highest interest rates in more than a decade.

S&P Global expects GDP growth for the United States (US) to slow to 0.7% in 2023 from 2.1% in 2022 and that for euro zone to 0.3% from 3.5%. As these economies account for 33% of India's goods exports, the country is likely to see slower growth.

While the rise in domestic interest rates is relatively lower than in advanced economies, bank lending rates have reached the pre-pandemic 5-year average. This is expected to moderate domestic demand, especially in interest rate-sensitive segments such as automobiles and housing. That said, falling commodity prices and slowing inflation augur well for domestic demand in Fiscal 2024. The key swing factor is the monsoon, which has a significant bearing on rural demand. While the India Meteorological Department has forecast a normal monsoon for 2023, regional and temporal distribution will impact agricultural output in addition to expected downside risks from El Niño.

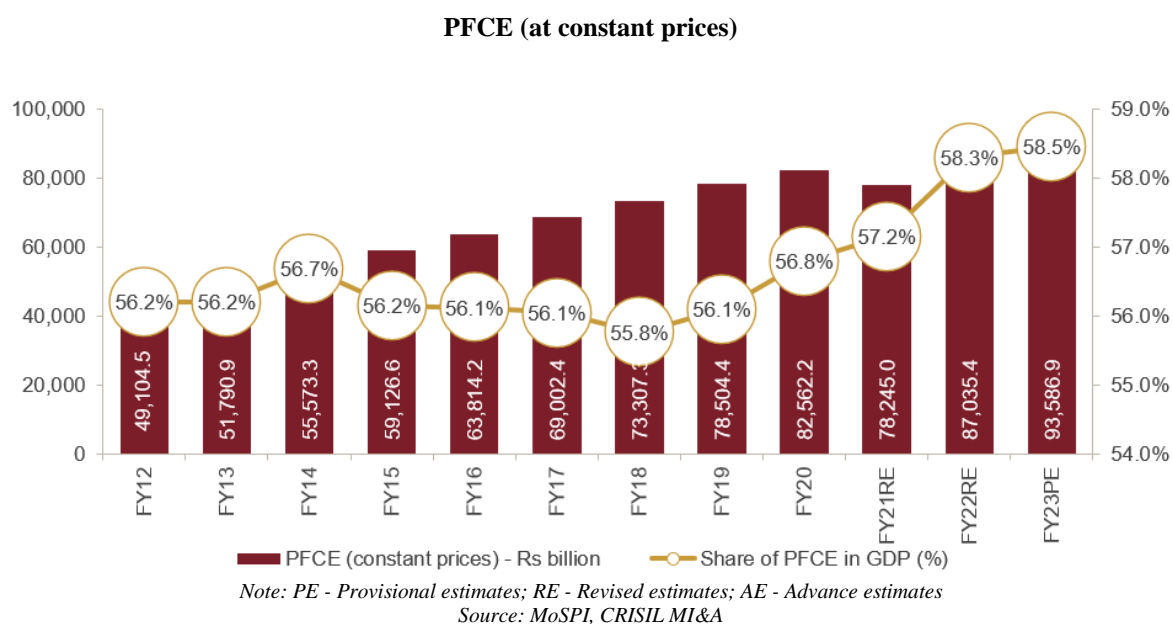
Overall, real GDP of India is expected to grow 6.0% in Fiscal 2024 compared with 7.2% in Fiscal 2023.

### CRISIL forecasts India's GDP to grow 6.9% in Fiscal 2025

Inflation reduction targets of most countries are unlikely to be achieved before 2025, thereby potentially impacting India's export demand in Fiscal 2025 as well. However, as inflation aligns closer to the specified targets in Fiscal 2025, the moderation is likely to facilitate a decrease in interest rates, thereby positively influencing India's export prospects. At an overall level, India's real GDP is expected to perform better in Fiscal 2025 compared with Fiscal 2024 by growing 6.9%.

### PFCE to maintain dominant share in GDP

Private final consumption expenditure (PFCE) at constant prices clocked 6% CAGR between Fiscals 2012 and 2023, maintaining its dominant share of 58.5% in Fiscal 2023 (approximately ₹93,587 billion in absolute terms, up 7.5% on-year). Growth was led by healthy monsoon, wage revisions due to the implementation of the Pay Commission recommendations, benign interest rates, and low inflation.



### India saw robust growth in per capita income between Fiscals 2012-2023

India's per capita net national income (NNI), a broad indicator of living standards, logged 4.1% CAGR between Fiscals 2012 and 2023, with growth led by better job opportunities, propped up by overall GDP growth. Like per capita NNI, per capita GDP also saw overall growth of 4.5%, reaching ₹115,746 in Fiscal 2023.

#### **Per capita NNI and per capita GDP at constant prices**

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21RE	FY22RE	FY23PE	FY12-FY23
Per capita NNI (Rs)	63,462	65,538	68,572	72,805	77,659	83,003	87,586	92,133	94,420	86,054	92,583	98,374	4.1%
YoY growth (%)		3.3	4.6	6.2	6.7	6.9	5.5	5.2	2.5	-8.9	7.6	6.3	-
Per capita GDP (Rs '000)	71.6	74.6	78.3	83.1	88.6	94.8	100.0	105.4	108.4	101.0	109.1	115.7	4.5%
YoY growth (%)		4.2	5.0	6.1	6.6	6.9	5.6	5.4	2.8	-6.8	8.0	6.1	-

*Note: PE - Provisional estimates; RE - Revised estimates; AE - Advance estimates*

*Source: Provisional estimates of national income 2022-2023 and quarterly estimates of GDP for the fourth quarter of 2022-2023; CSO; MoSPI; CRISIL MI&A*

### Per capita GDP growing faster than global average

The International Monetary Fund (IMF) estimates global GDP per capita to clock a CAGR of 2.1% during 2012-2023 and expects it to reach 4.0% in 2023-2028. India's GDP per capita is expected to grow faster, at 5.6% CAGR, and is expected to surpass global growth by logging 7.4% during 2023-2028.

#### **Per capita GDP at current prices**

	2012	2013	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2028P
India (\$ '000)	1.4	1.4	1.6	1.6	1.7	2.0	2.0	2.1	1.9	2.2	2.4	2.6	3.7
World (\$ '000)	10.7	10.9	11.1	10.3	10.4	10.9	11.4	11.5	11.0	12.5	12.9	13.4	16.4

#### **Per capita GDP (CAGR)**

	CAGR 2012-2023E	CAGR 2023-2028P
<b>India per capita GDP at current prices</b>	5.6%	7.4%
<b>World per capita GDP at current prices</b>	2.1%	4.0%

*Note: E - Estimated; P - Projected*

*Source: IMF, CRISIL MI&A*

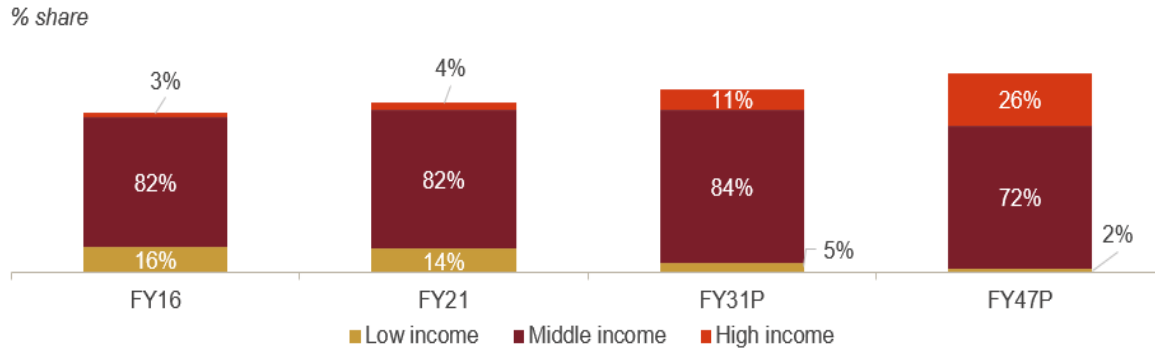
### ***Fundamental growth drivers of domestic GDP***

#### Decline in poverty indicates rise in middle-income and high-income population in India

The proportion of poor in India (defined as people living at or below ₹125,000 per annum) declined from approximately 16% to approximately 14% between Fiscals 2016 and 2021, according to the ICE 360° survey by the People Research on India's Consumer Economy (PRICE).

Conversely, the proportion of middle- and high-income groups in the country increased to approximately 86% in Fiscal 2021 from approximately 85% in Fiscal 2016. Their proportion is expected to reach approximately 95% by Fiscal 2031. The middle-income group formed approximately 82% of the total population in Fiscal 2021. A positive economic outlook and growth across key employment-generating sectors (such as real estate, infrastructure, and automobiles) are expected to have a cascading effect on the overall per-capita income of the population in the medium-to-long term. This, in turn, is expected to drive consumption expenditure and discretionary spending.

### Income-based split of the population



Note: E - Estimated; P - Projected

Low-income group: Defined as a set of people earning less than ₹125,000 per annum

Middle-income group: Defined as a set of people earning between ₹125,000 and ₹3 million

High-income group: Defined as a set of people earning more than ₹3 million

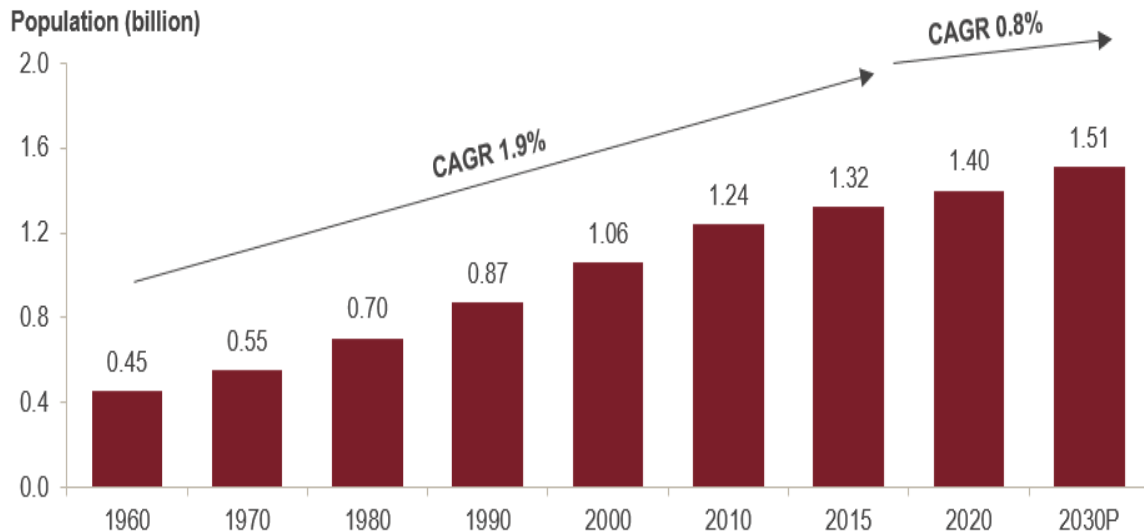
Source: PRICE ICE 360° survey, CRISIL MI&A

### Population to clock 0.8% CAGR between 2020 and 2030

According to Census 2011, India's population grew to approximately 1.2 billion at a CAGR of 1.9% during calendar years 2001-2011. Estimated number of households stood at approximately 246 million.

According to the United Nations (UN) World Population Prospects 2022, the country's population is expected to clock a CAGR of 0.8% between 2020 and 2030 to reach 1.5 billion by 2030. The UN has estimated that with 1.425 billion people, the country surpassed China to become the most populous country in April.

### India's population growth



Note: P - Projected

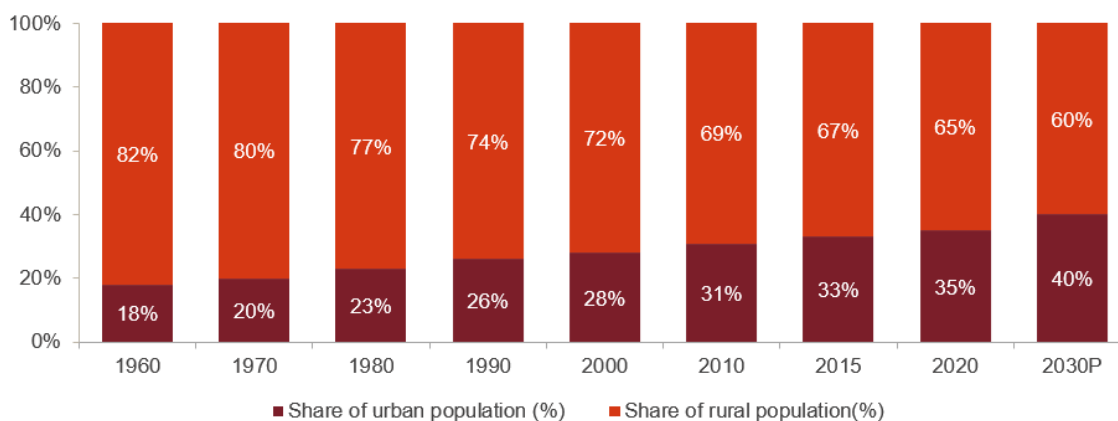
Source: UN Department of Economic and Social Affairs, World Population Prospects 2022, CRISIL MI&A

### Urbanization likely to reach 40% by 2030

India's urban population has been increasing over the years. The trend is expected to continue as economic growth increases. From approximately 31% of the total population in 2010, urban population in the country is projected to reach nearly 40% by 2030, according to a UN report on urbanisation. People from rural areas move to cities for better job opportunities, education, and quality of life. Typically, migration can be of the entire family or a few individuals (generally an earning member or students).

### India's urban population versus rural





Note: P - Projected

Source: World Urbanization Prospects: The 2018 Revision, UN, CRISIL MI&A

### Disease profile in India

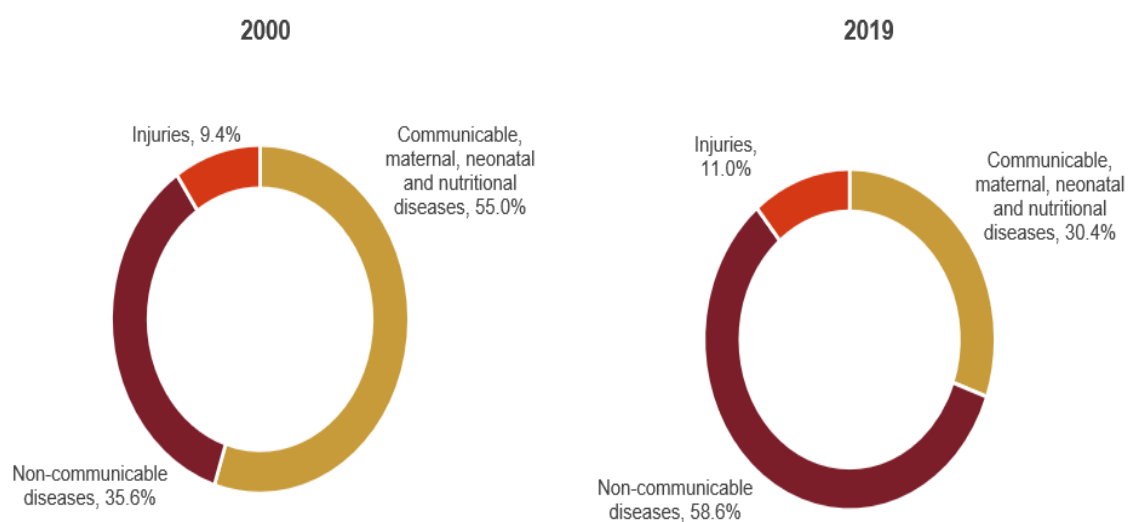
#### Share of non-communicable diseases in DALYs is continuously increasing

According to the World Health Organization (WHO), communicable diseases were a major contributor to disability-adjusted life years (DALYs) in India in 2000, with approximately 55% share. The major reasons were lack of basic public healthcare facilities and vaccination, which led to communicable diseases. DALY helps assess the overall burden of disease in a country as it is a time-based measure that combines years of life lost due to premature mortality and disability. One DALY represents the loss of the equivalent of one year of full health.

By 2019, there was a notable shift in the disease burden landscape in India. The share of communicable diseases in total DALYs in the country witnessed a significant decline to about 30.5%, indicating progress in controlling infectious illnesses through vaccination drives and availability of public healthcare services. Conversely, non-communicable diseases witnessed a substantial increase and accounted for 58.6% of the DALYs in India, considerably higher than the average share of non-communicable diseases in total DALYs for lower-middle-income countries, 52.5%.

This shift can be attributed to the growing ageing population in India and lifestyle changes, leading to a more-sedentary living. Furthermore, injuries accounted for 11%, showcasing a slight increase compared with 2000.

#### Contribution of major disease groups to total DALYs in India



Source: WHO, CRISIL MI&A

#### Contribution of major disease groups to DALYs (2019)

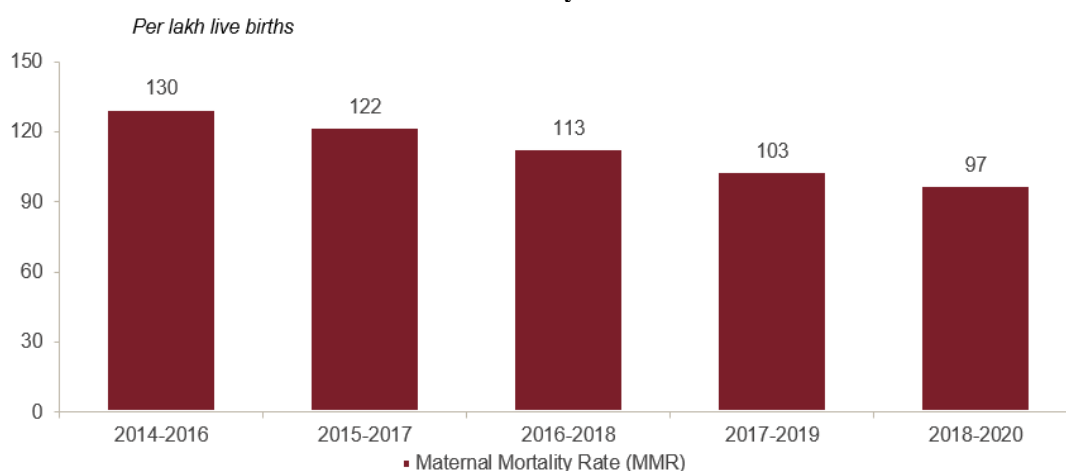
	Share of communicable, maternal, neonatal, and nutritional diseases in total DALYs	Share of non-communicable diseases in total DALYs	Share of injuries in total DALYs
Global	27.2%	62.5%	10.3%
Low income	55.3%	33.8%	10.9%
Lower middle income	37.6%	52.5%	9.9%
Upper middle income	11.9%	77.2%	9.6%
High income	5.5%	84.9%	10.3%

*Note: India comes in the lower middle-income group according to WHO classification  
Source: WHO, CRISIL MI&A*

### Maternal mortality rate improves

Maternity health issues in India include a broad spectrum of concerns that significantly impact women during the pregnancy, childbirth, and postpartum period. Malnutrition, postpartum depression because of hormonal changes, sleep deprivation, postpartum haemorrhage, and psychosocial factors affect a substantial number of women in India, impacting their well-being and that of their infants.

#### **Maternal mortality rate in India**



*Source: Press Information Bureau (PIB), CRISIL MI&A*

Insufficient access to healthcare services exacerbates these health issues, particularly among women residing in remote areas with limited financial resources. However, the government has implemented various programmes and undertaken awareness campaigns to control the incidences and improve maternal and child health outcomes. Initiatives such as the Pradhan Mantri Surakshit Matritva Abhiyan, POSHAN Abhiyaan, and Janani Suraksha Yojana aim to increase accessibility to quality care and enhance the physical and mental well-being of pregnant women. Notably, they have positively influenced maternal mortality rates in India, which declined from 130 (per lakh live births) in 2014-2016 to 97 (per lakh live births) in 2018-2020.

### India has more than 236 million diabetes and prediabetes cases

Diabetes has emerged as a significant health concern in India, contributing to a considerable disease burden within the population. India has become the diabetes capital of the world as with both type 1 and 2 diabetes cases rising at an alarming rate in recent years. This is primarily attributed to factors such as sedentary lifestyle, unhealthy dietary habits, genetic predisposition, and rapid urbanisation. According to the 2023 Metabolic Non-Communicable Disease Health Report of India by ICMR, over 101 million adults were diagnosed with diabetes and over 136 million adults with pre-diabetes in 2021 in the country.

Furthermore, diabetes has far-reaching consequences. It can give rise to various complications such as cardiovascular diseases, kidney disorders, and nerve damage. The impact on individuals' quality of life and the strain on the healthcare system are substantial. The government has collaborated with healthcare organisations and relevant stakeholders and rolled out the National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke. This is aimed at creating awareness about these diseases, educating people on disease prevention, and improving healthcare infrastructure to support diabetes care.

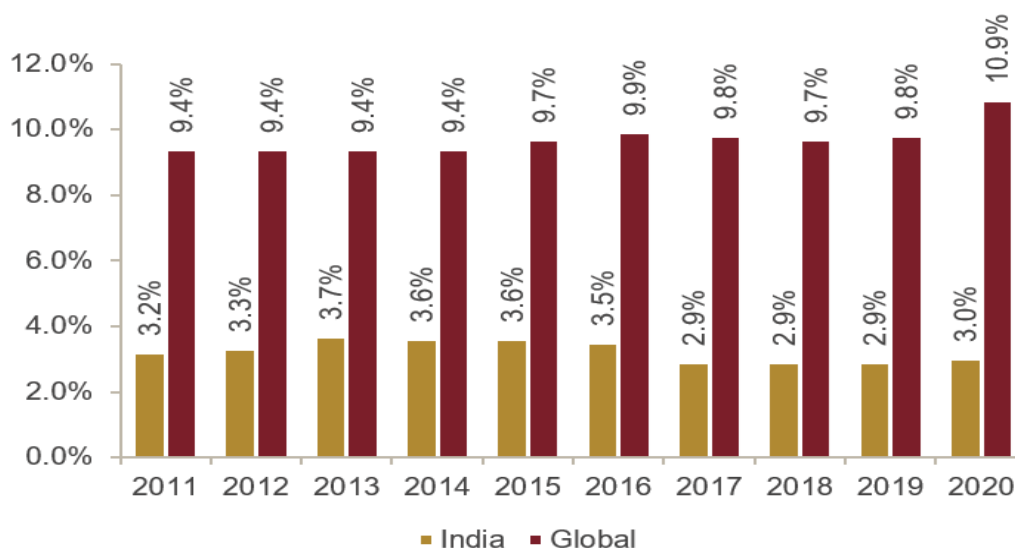
### **India's social and healthcare parameters**

#### Country lags other economies in healthcare expenditure

According to the Global Health Expenditure Database, in 2020, India's healthcare expenditure accounted for 3% of its GDP. This places India behind not only developed countries, such as the US and the UK, but also several developing countries, including Brazil, Malaysia, Nepal, Sri Lanka, and Thailand.

Furthermore, India's public spending on healthcare services is considerably lower than its global counterparts. For instance, India's per capita expenditure on healthcare, calculated at an international dollar rate and adjusted for purchasing power parity, was a mere \$56.6 in 2020. In contrast, the per capita expenditures of the US, the UK, and Singapore were significantly higher –\$11,702.4 for the US, \$4,926.3 for the UK, and \$3,537 for Singapore.

**Current healthcare expenditure as % of GDP – India vs. global**



Source: Global Health Expenditure Database - World Health Organization accessed in March 2023, CRISIL MI&A

**Per capita current expenditure on health in \$ terms (2020)**

Country	Per capita expenditure (\$)
<b>India</b>	<b>56.6</b>
China	583.4
Brazil	700.7
Korea	2,642.4
Singapore	3,537.0
United Kingdom	4,926.3
Japan	4,388.1
France	4,768.7
Australia	5,901.1
Germany	5,930.3
Canada	5,619.4
United States	11,702.4

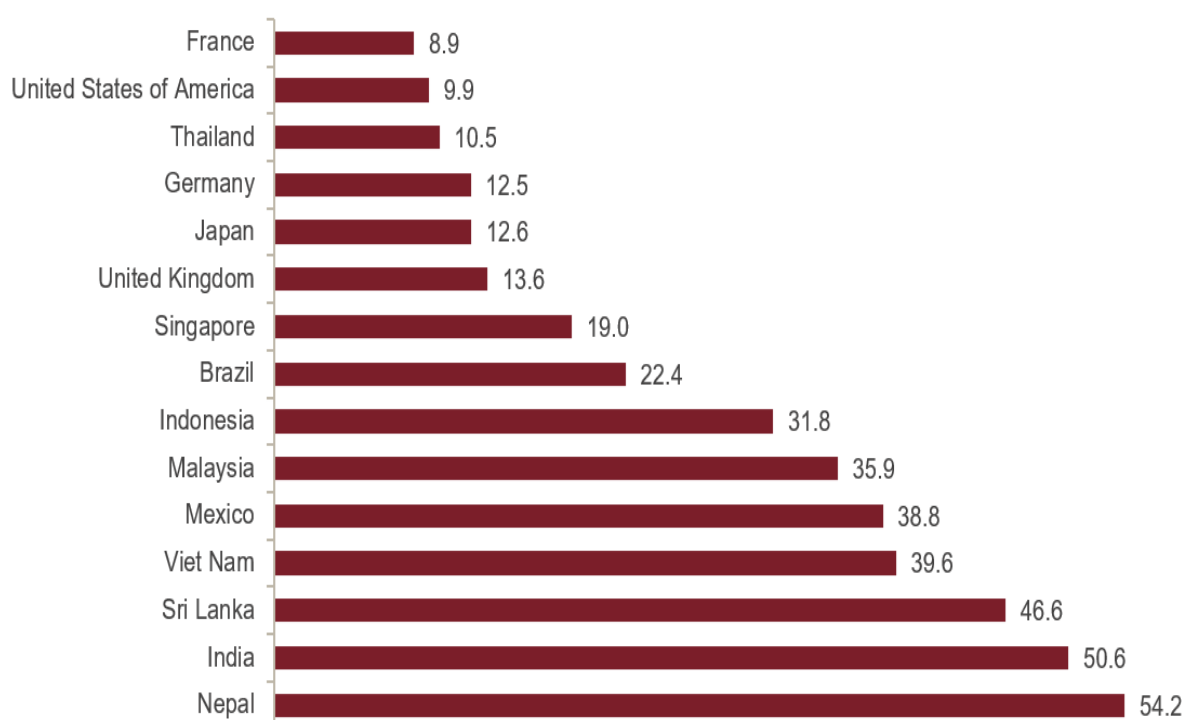
Source: Global Health Expenditure Database - World Health Organization accessed in March 2023, CRISIL MI&A

### Out-of-pocket expenditure on healthcare in India is one of the highest globally

The Indian governments spend on healthcare is low given the size of the economy, which leads to high out-of-pocket (OOP) expenditure. Despite a decline in the past few years, India's OOP expenditure as a % of current health spending was 50.6% in 2020, significantly above the global average of 16.36%, and among the highest in the world. Furthermore, in India, majority of insurance cover does not cover out-patient treatments, which also makes OOP due to out-patient greater in comparison to in-patient treatments.

Additionally, as per economic survey data for Fiscal 2022, 80-85% of all in-patient hospitalisations did not have any coverage, which again drives up the share of OOP spending in healthcare expenditure. However, the government has introduced schemes such as Ayushman Bharat Pradhan Mantri Jan Arogya Yojana, state-sponsored health insurance (AB-PMJAY State Extension Schemes), Employees' State Insurance Scheme, and Central Government Health Scheme to increase the coverage of medical insurance.

**Out-of-pocket expenditure (% of current health expenditure 2020)**



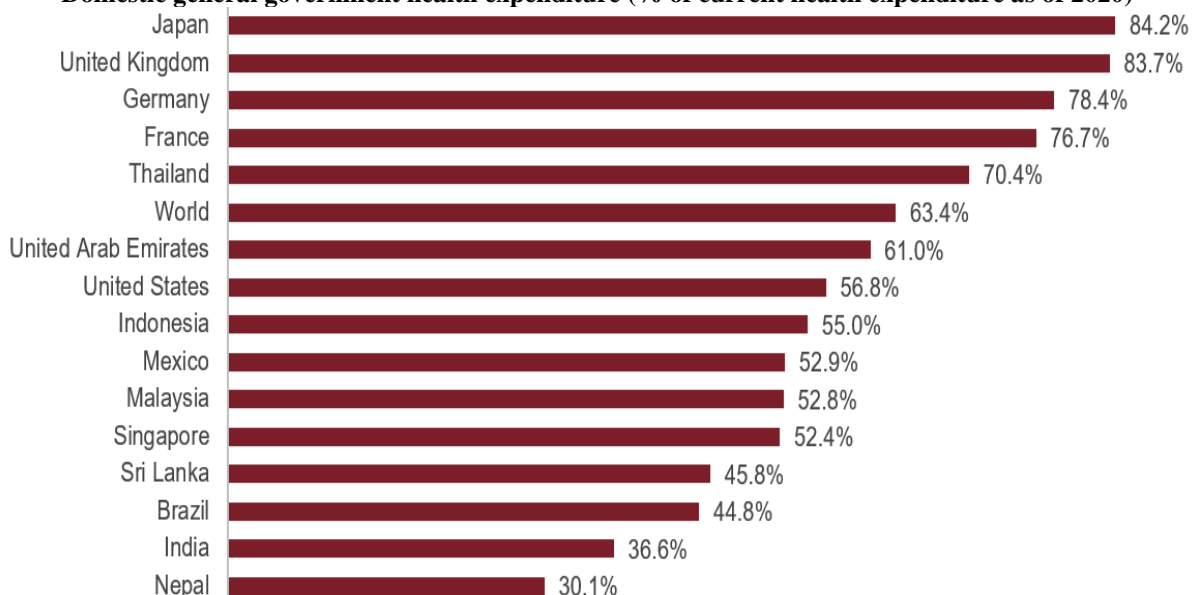
*Source: Global Health Expenditure Database accessed in March 2023, CRISIL MI&A*

### Share of government spending in total health expenditure one of the lowest globally

In terms of absolute value, government health expenditure (GHE) has been constantly increasing over the years. It increased from approximately ₹1.8 trillion in Fiscal 2016 to approximately ₹2.7 trillion in Fiscal 2020. However, the share of domestic general GHE (% of current health expenditure) in India is still one of the lowest among emerging as well as developed economies. For instance, in 2020, the share of government spending in total current health expenditure of developed countries such as the US, the UK and Japan was 56.8%, 83.7 and 84.2%, respectively.

Even in developing countries, the share of government spending on health as a % of current health expenditure was higher than in India. For instance, in Indonesia and Malaysia, the share of government spending on healthcare was 55% and 52.8%, respectively, whereas, in India, it was just 36.6%. Overall, as well, the share of government spending on healthcare as a % of current health expenditure was less than the global average of 63.4%.

### Domestic general government health expenditure (% of current health expenditure as of 2020)



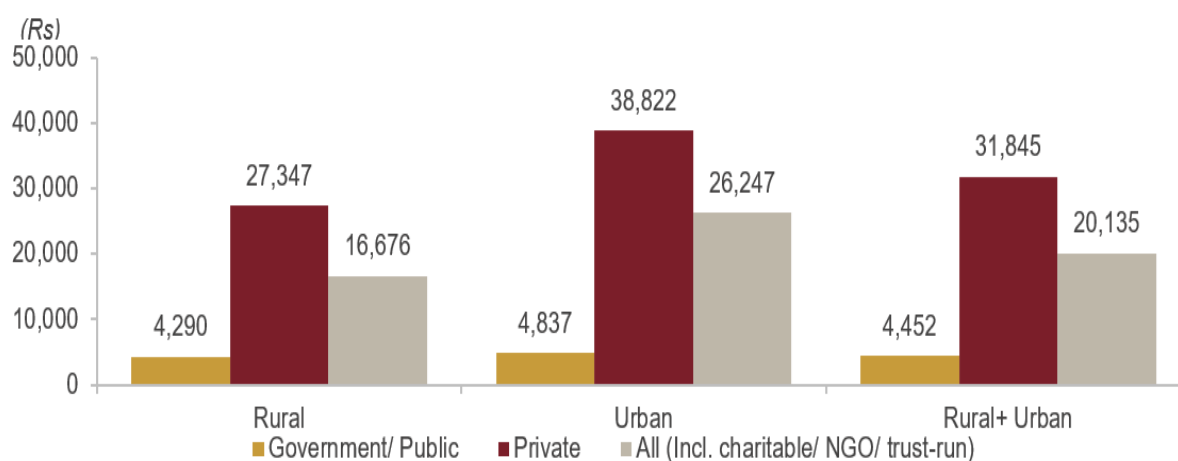
Source: Global Health Expenditure Database accessed in March 2023, CRISIL MI&A

### Hospitalisation cost in private hospitals in India is 7.2x more than government hospitals

In rural areas, the average medical expense per hospitalisation in government/public hospitals was ₹4,290 vis-à-vis ₹27,347 for private hospitals (NSS Survey: July 2017-June 2018). The average medical expense for all hospitals, including charitable/NGO/trust-run, in rural areas was ₹16,676 per hospitalisation. Similarly, the average medical expense for government/ public hospitals in urban areas was ₹4,837 per hospitalisation, while for private hospitals and charitable hospitals, it was ₹38,822 and ₹26,247, respectively.

Overall, the cost of healthcare in private hospitals is much higher than in government/public hospitals, and this difference is more pronounced in urban areas, owing to several factors, such as higher cost of living, availability of advanced medical technology, and higher salaries of doctors and other healthcare professionals.

### Average medical expenditure per hospitalisation case in India (July 2017 to June 2018)



Source: NSS, CRISIL MI&A

Onset of the COVID-19 pandemic posed significant challenges to the healthcare sector across the world. In India, it exposed the structural weakness of the healthcare system, such as inadequacy in equipment, supplies and medicines. To address these, the government implemented several measures, both on the fiscal and policy fronts.

In March 2020, the government expanded AB-PMJAY, which provides health insurance to the poor, bringing the cost of COVID-19 treatment under its ambit.

Further, to enhance healthcare infrastructure, the government established PM CARES Fund to mobilise resources for COVID-19 relief efforts. In Fiscal 2022, donations totalled approximately ₹19.4 billion, which was utilised to set up COVID-19 makeshift hospitals, procure medical equipment, and strengthen healthcare facilities across the country.

On the policy front, the government issued guidelines governing telemedicine to promote remote healthcare consultation, ensuring access to medical services while minimising physical contact. The move helped patients receive medical assistance even during the lockdowns.

Furthermore, regulatory reforms were initiated to expedite the approval process for COVID-19-related drugs, diagnostic kits, and medical devices. These changes were aimed at facilitating timely access to medicines and technologies required for pandemic management. In addition, the government took concrete steps to increase awareness about COVID-19, social distancing, and vaccination drives.

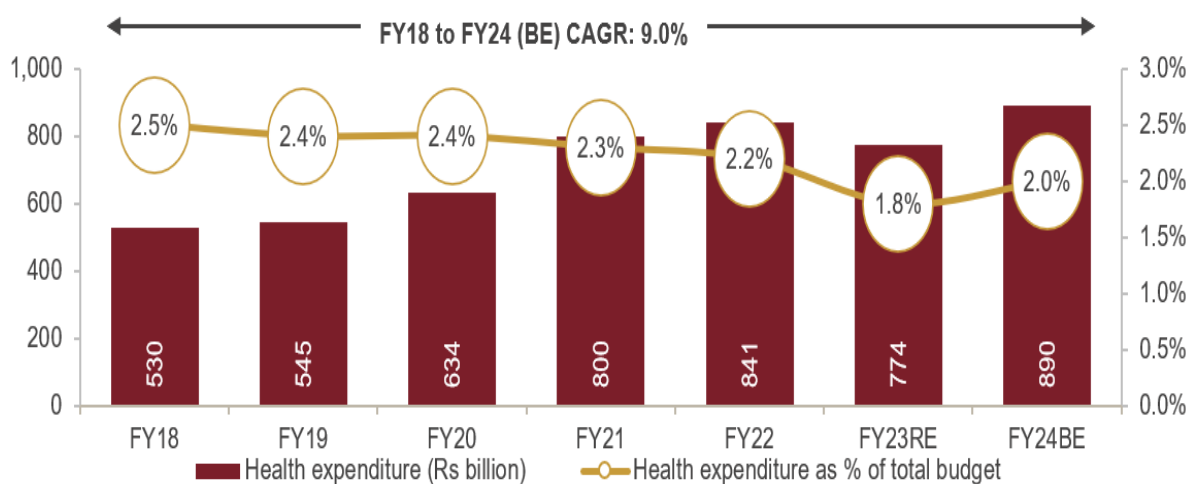
**Government health spend up in absolute terms, but down as % of total budget**

In absolute terms, the government’s allocation towards healthcare has increased to ₹890 billion for Fiscal 2024 (budgeted estimates) from ₹530 billion in Fiscal 2018, at a CAGR of 9%. However, as a % of the Union Budget 2023- 2024, the allocation has decreased to 2% from 2.5% in Fiscal 2018.

While healthcare expenditure increased significantly to approximately 26% on-year in Fiscal 2021, following the pandemic’s onset, with allocation of funds for COVID-19-related measures such as vaccination drives sustaining in Fiscal 2022, expenditure declined approximately 8% on-year in Fiscal 2023, because the pandemic support was withdrawn by the government as infections subsided.

In Fiscal 2024, healthcare allocation in the budget rose approximately 15% on-year, driven by increase in expenditure towards schemes such as Pradhan Mantri Atmanirbhar Swasth Bharat Yojana, which aims to establish primary healthcare infrastructure, Pradhan Mantri Swasthya Suraksha Yojana, which focuses on setting up new All India Institute of Medical Sciences hospitals and enhancing facilities at government medical colleges in states, and PMJAY, a health insurance scheme.

**Budgetary allocation for healthcare over the years**



*Note: RE - Revised estimates; BE - Budget estimates  
Source: Budget documents, CRISIL MI&A*

***Key healthcare schemes and programmes under implementation / announced***

**National Health Mission**

The National Health Mission (NHM) is a flagship programme of the government to provide accessible, affordable, and quality healthcare to all sections of society. It takes a comprehensive approach to address the country’s

healthcare needs. It has two sub-missions — National Rural Health Mission (NRHM) and the National Urban Health Mission (NUHM) — which target rural and urban populations, respectively.

The key objectives of NHM are to strengthen healthcare infrastructure, improve healthcare service delivery and enhance public health outcomes by focussing on primary healthcare, maternal and child health, communicable and non-communicable disease control, and promote preventive health interventions.

Overall, NHM serves as a cornerstone of the country's healthcare system, aiming to bridge the gap in healthcare delivery and ensuring equitable access to quality healthcare services. Within NHM the following have been launched:

#### National Sickle Cell Anaemia Elimination Mission

As a part of NHM, the government announced the National Sickle Cell Anaemia Elimination Programme in the Union Budget 2022-23. It focusses on addressing significant health challenges posed by sickle cell disease, particularly among tribal populations. As of July 2023, it has been implemented in 17 high-focus states to improve the care and prospects of all sickle cell disease patients while reducing its prevalence.

#### Free Diagnostics Service Initiative

This was launched under NHM to provide better accessibility of diagnostic services at public health facilities, with the aim of reducing OOP expenditure on diagnostics, which was fairly high at 10% as per National Sample Survey Office's (NSSO) 71st round. Free diagnostics services are being made accessible through inhouse, public-private partnership (PPP) and hybrid modes, and has three components – Essential Pathology Initiative, Tele-Radiology Initiative, and CT Scan Services at District Hospital and Technology Support. As of October 2022, Free Diagnostics Initiative was implemented in 33 states/ union territories (UTs), and Free Diagnostics CT Scan Service and Free Tele-Radiology were implemented in 13 states/ UTs on a PPP basis.

#### Ayushman Bharat

Ayushman Bharat, also known as Pradhan Mantri Jan Arogya Yojana (PMJAY), was launched in September 2018 to provide affordable healthcare to economically vulnerable sections of society. It seeks to address gaps in healthcare access by strengthening primary healthcare infrastructure and offering financial protection to the poor by providing health insurance coverage.

Ayushman Bharat comprises two interrelated components — health and wellness centres (HWCs) and Pradhan Mantri Jan Arogya Yojana (PM-JAY). In February 2018, the government announced the setting up of 150,000 HWCs by transforming the existing sub-centres and primary health centres. HWCs are expected to deliver comprehensive primary healthcare by bringing healthcare closer to the people's homes. These provide maternal and child health services, treat NCDs, and provide free essential drugs and diagnostic services. The PM-JAY aims to provide ₹0.5 million health cover per family per year for secondary and tertiary care hospitalisation. The scheme is expected to benefit over 107.4 million poor and vulnerable families (approximately 500 million individuals).

#### Ayushman Bharat Digital Mission

Ayushman Bharat Digital Mission aims to create a national digital health ecosystem that will enable seamless exchange of electronic health records (EHRs) and other health-related information. It was launched in September 2021 and is expected to be fully implemented by 2025.

#### Pradhan Mantri Ayushman Bharat Health Infrastructure Mission

PM-ABHIM was announced on February 1, 2021 as part of the Atmanirbhar Bharat package for the healthcare sector. Its primary aim is to address critical gaps in the health infrastructure, surveillance, and healthcare research in urban and rural areas.

It also promotes self-reliance and empowers communities to effectively manage pandemics and health crises. The scheme's total financial outlay for Fiscals 2022-2026 is ₹641.8 billion, which includes the cost of monitoring and evaluation, and setting up of a project management unit.

### Key government healthcare schemes

S No	Scheme	Launched	Purpose
1	National Health Mission (NHM)	-	Envisages achievement of universal access to equitable, affordable and quality healthcare services that are accountable and responsive to people's needs
1.1	National Sickle Cell Anaemia Elimination Mission	2023	Focuses on addressing the significant health challenges posed by the sickle cell disease, particularly among tribal populations of the country
1.2	Free Diagnostics Service Initiative	2015	To provide accessible, affordable and quality diagnostic services in all public health facilities up to district hospitals by utilising the capacity of private companies in supporting NHM to provide essential diagnostic services, thereby having a positive impact on reducing OOP expenditure on diagnostics
1.3	National Urban Health Mission	2013	To meet the healthcare needs of the urban population with a focus on the poor, by making available to them essential primary healthcare services and reducing their OOP expenditure for treatment
1.4	National Rural Health Mission	2005	To provide accessible, affordable and quality healthcare to the rural population, especially the vulnerable groups
2	Ayushman Bharat Digital Mission	2021	Aims to develop the backbone necessary to support the integrated digital health infrastructure by bridging the gap among various stakeholders of the healthcare ecosystem through digital highways
3	Pradhan Mantri Ayushman Bharat Health Infrastructure Mission	2021	The scheme focusses on developing capacities of health systems and institutions across the continuum of care at all levels, viz. primary, secondary, and tertiary, and on preparing health systems in responding effectively to the current and future pandemics/disasters
4	Ayushman Bharat		
4.1	Health and Wellness Centres	2018	Aimed at delivering an expanded range of services to address the primary healthcare needs of the entire population in their area, expanding access, and ensuring universality and equity
4.2	Pradhan Mantri Jan Arogya Yojana	2018	Aims to provide Rs 5 lakh health cover per family per year for secondary and tertiary care hospitalisation to over 107.4 million vulnerable families (approximately 500 million beneficiaries.)

Source: Budget documents, CRISIL MI&A

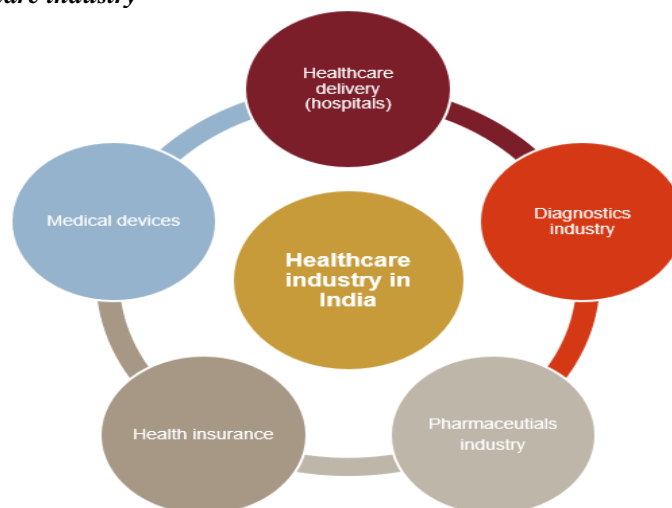
#### PPPs in diagnostics industry

PPP models have been employed in the Indian diagnostics industry to facilitate the provision of diagnostic services in rural and remote areas, upgrade existing facilities, and foster the development of new diagnostic technologies.

The prevalent model in the sector is the lease-operate-transfer model, under which the private sector takes on lease a diagnostic facility from the government and operates it for a specific period before returning it.

#### Introduction to the healthcare industry in India

##### *Structure of the healthcare industry*



Source: CRISIL MI&A



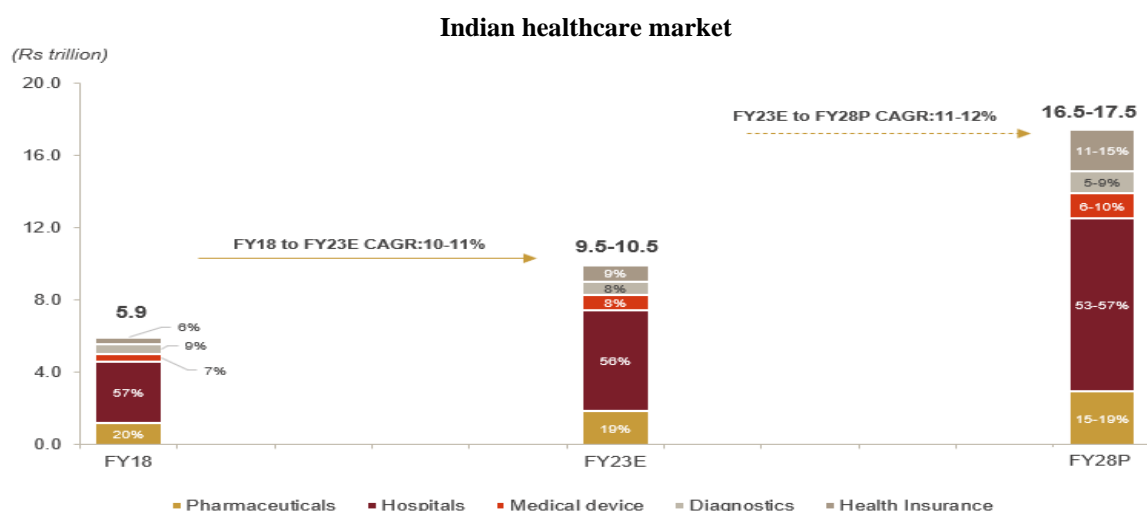
India's fast-growing healthcare industry has become one of the leading contributors of the economy. A combination of economic and demographic factors is driving healthcare demand in the country. Factors such as ageing population, growing middle class, increasing incidence of lifestyle diseases, and adoption of technology are some of the key drivers.

The domestic healthcare industry comprises the following segments: healthcare delivery (hospital), pharmaceuticals, health insurance, medical devices, diagnostic services, medical equipment, and other support services to the healthcare players.

### Healthcare market in India to grow at 11-12% CAGR between Fiscals 2023 and 2028

The healthcare industry, comprising pharmaceuticals, hospitals, medical devices, diagnostics and health insurance, grew at 10-11% CAGR between Fiscals 2017 and 2023, to approximately ₹9.9 trillion.

By Fiscal 2028, the market is expected to reach ₹16.5-17.5 trillion, at a CAGR 11-12%, driven by factors such as an ageing population, increased incidence of lifestyle diseases, growing healthcare awareness, technology adoption, and growing affluent middle class.



	Pharmaceuticals	Hospitals	Medical devices	Diagnostics	Health Insurance	Total Indian healthcare market
CAGR FY18-23E	9%	11%	14%	8%	19%	10-11%
CAGR FY23E-28P	9.5-10.5%	11-12%	12-13%	8-10%	20-21%	11-12%

*Note: E - Estimated; P - Projected*

1. Hospitals include the overall healthcare delivery segment in India, which is inclusive of clinic/physician consultations
2. Medical devices include medical devices and equipment, medical consumables, reagents and implants

*Source: Industry, CRISIL MI&A*

Within the healthcare market, the service sector segments such as hospitals and health insurance see comparatively higher growth rate, driven by higher price inflationary pressure, compared with other healthcare segments. The health insurance segment registered strong growth between Fiscals 2018 and 2023, with post-pandemic rise in health insurance penetration and current under-penetration of health insurance policies in India. The medical device segment in India is largely import-dependent (70%), and is, thus, exposed to higher inflation.

On the other hand, segments such as pharmaceuticals and diagnostics are driven by volume growth as against price inflationary growth and clocked a CAGR of 8-9% between Fiscals 2018 and 2023.

### **State-wise spending on healthcare**

#### Uttar Pradesh & Maharashtra top two states in terms of medical and public health spends in absolute terms in Fiscal 2023

In Fiscal 2023, Uttar Pradesh and Maharashtra were the top two states in terms of budgeted medical and public health expenditures, at ₹240.8 billion and ₹210.7 billion, respectively. However, Delhi had the highest proportion

of health expenditure in relation to aggregate expenditure, of a substantial 13.5%. This indicates a relatively higher allocation of resources towards healthcare in Delhi than in other states and union territories. Puducherry followed closely, at 11%. Large states such as Bihar, Odisha, West Bengal, and Uttarakhand also logged relatively high health expenditure percentages, of between 6.2% and 7.1%, which hinted at the prioritisation of healthcare in these regions.

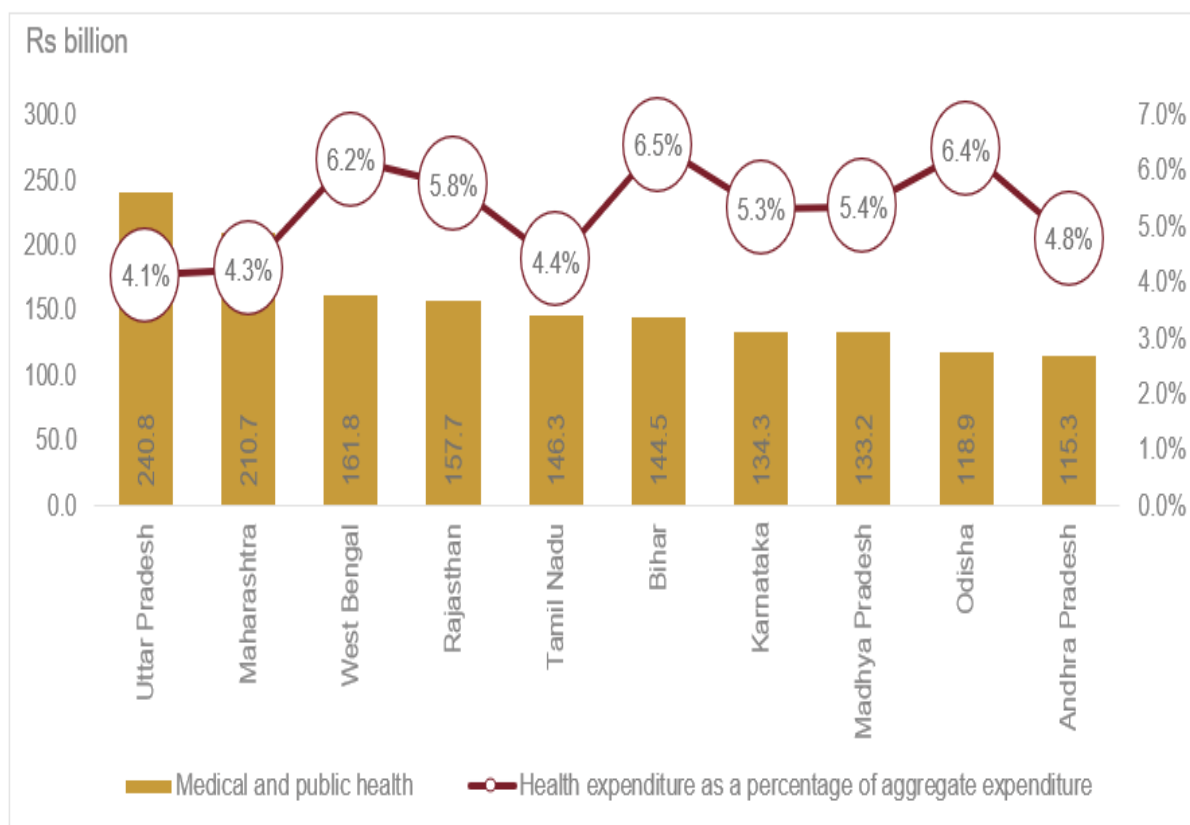
Interestingly, small states such as Goa and Meghalaya, which have a relatively lower population, clocked health expenditure percentages, at 8.9% and 8.6%, respectively, suggesting focus on healthcare in the regions. In contrast, Telangana, Gujarat, and Tamil Nadu allocated a smaller proportion of their total expenditure to healthcare, with percentages ranging from 3.9% to 4.4%.

#### States' expenditure on medical and public health, family welfare, water supply and sanitation

State/UT (FY23)	Medical and public health (Rs billion)	Family welfare (Rs billion)	Water supply and sanitation (Rs billion)	Medical and public health expenditure as % of aggregate expenditure	Medical and public health expenditure per capita
Andhra Pradesh	115.3	41.7	22.8	4.8%	2,169.6
Arunachal Pradesh	12.7	0.1	9.1	5.1%	8,149.2
Assam	70.9	4.3	15.7	6.2%	1,984.0
Bihar	144.5	14.5	40.7	6.5%	80.4
Chhattisgarh	61.2	3.4	24.4	5.9%	2,029.2
Goa	19.4	0.3	10.9	8.9%	12,323.8
Gujarat	88.7	33.4	61.6	4.1%	1,240.0
Haryana	86.2	2.9	45.1	6.1%	2,853.1
Himachal Pradesh	24.9	5.4	18.5	5.4%	3,330.6
Jharkhand	56.3	0.1	40.7	6.0%	1,425.3
Karnataka	134.3	9.4	84.0	5.3%	1,983.3
Kerala	94.2	5.5	23.0	5.4%	2,631.7
Madhya Pradesh	133.2	5.8	86.6	5.4%	1,538.9
Maharashtra	210.7	14.6	137.9	4.3%	1,667.5
Manipur	14.3	0.6	23.3	5.2%	4,424.4
Meghalaya	15.3	0.8	5.9	8.6%	4,581.1
Mizoram	6.8	0.4	4.7	5.4%	5,491.1
Nagaland	10.8	0.5	5.4	6.2%	4,816.8
Odisha	118.9	6.0	110.5	6.4%	2,568.8
Punjab	53.7	2.4	23.7	4.5%	1,746.0
Rajasthan	157.7	43.4	109.0	5.8%	1,946.2
Sikkim	5.9	0.2	2.0	5.9%	8,558.8
Tamil Nadu	146.3	31.1	57.6	4.4%	1,903.1
Telangana	94.9	20.7	96.6	3.9%	2,490.7
Tripura	10.3	4.6	3.7	4.0%	2,472.1
Uttar Pradesh	240.8	169.1	219.3	4.1%	1,021.8
Uttarakhand	42.7	1.5	12.8	7.1%	3,670.1
West Bengal	161.8	16.1	38.4	6.2%	1,633.0
Jammu and Kashmir	71.6	7.1	98.5	6.5%	5,265.7
NCT Delhi	96.0	1.7	67.1	13.5%	4,495.3
Puducherry	10.2	0.2	1.7	11.0%	7,404.6
<b>All states and UTs</b>	<b>2,510.3</b>	<b>447.8</b>	<b>1,501.2</b>	<b>5.3%</b>	

Source: The Reserve Bank of India (RBI), budgeted spends, CRISIL MI&A

### Top 10 states in terms of medical and public health expenditure (Fiscal 2023)



Source: RBI, CRISIL MI&A

#### Kerala tops Health Index among large states, Tripura leads small states

Health Index provides separate ranking for large states, small states, and union territories, to better capture health parameters. In Fiscal 2020, Kerala maintained its top position in the ranking in the large states category but ranked seventh in terms of GHE. Tamil Nadu followed closely, securing the second position in the Health Index and third in terms of GHE, suggesting a balance between healthcare performance and government expenditure. Furthermore, Assam notably improved its Health Index ranking, climbing three spots up, to the 12th position, indicating a good improvement in healthcare parameters.

In the small states category, Mizoram, which ranked third in Fiscal 2019, improved its position to claim the top spot in Fiscal 2020, reflecting significant progress in healthcare indicators. Another state to have notably improved in terms of the Health Index was Meghalaya, having risen to the fifth position in Fiscal 2020. In contrast, Goa's position significantly declined to the fourth rank; however, it had the highest GHE in the small states category, which is expected to positively impact its Health Index.

In the union territories category, Dadra and Nagar Haveli and Daman and Diu, which held the second rank in Fiscal 2019, secured the top spot in Fiscal 2020, showing significant progress in healthcare indicators. Lakshadweep also showed a remarkable improvement in Fiscal 2020, moving up, to the third rank from fifth the previous year. Furthermore, union territories such as Delhi, Jammu and Kashmir, and Puducherry, while not leading in terms of Health Index, emerged as the top three spenders in GHE. This substantial expenditure is expected to benefit their Health Index rankings.

## States ranking- Health Index and GHE (2019-2020)

### Large states

State	Health Index ranking	GHE ranking
Andhra Pradesh	4	8
Assam	12	13
Bihar	18	9
Chhattisgarh	10	14
Gujarat	6	4
Haryana	11	12
Himachal Pradesh	7	17
Jharkhand	13	16
Karnataka	9	5
Kerala	1	7
Madhya Pradesh	17	6
Maharashtra	5	2
Odisha	14	11
Punjab	8	15
Rajasthan	16	19
Tamil Nadu	2	3
Telangana	3	10
Uttar Pradesh	19	1
Uttarakhand	15	18

Source: NITI Aayog, Ministry of Health and Family Welfare, CRISIL MI&A

### Small states

State	GHE ranking	Health Index ranking
Arunachal Pradesh	7	2
Goa	4	1
Manipur	6	6
Meghalaya	5	3
Mizoram	1	5
Nagaland	8	7
Sikkim	3	8
Tripura	2	4

Source: NITI Aayog, Ministry of Health and Family Welfare, CRISIL MI&A

### Union territories

Union Territory	Health Index ranking	GHE ranking
Andaman and Nicobar Islands	7	5
Chandigarh	2	4
Dadra and Nagar Haveli and Daman and Diu	1	6
Delhi	5	1
Jammu and Kashmir	6	2
Lakshadweep	3	7
Puducherry	4	3

Source: NITI Aayog, Ministry of Health and Family Welfare, CRISIL MI&A

## Assessment of Indian diagnostics (pathology) industry

### *Structure of the diagnostics industry*

#### Based on service offerings



#### Pathology

Pathology testing involves reporting diagnostic information based on collected samples (blood, urine, stool, and so on) and analysing them in a laboratory to arrive at useful clinical information.

#### Radiology

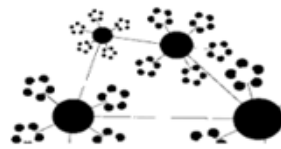
Radiology involves procedures ranging from simple X-rays and ultrasounds to specialised tests such as CT and PET-CT scans, which help diagnose diseases by marking anatomical and physiological changes in a patient's body.

*Source: Industry, CRISIL MI&A*

#### Based on business models



#### 1. Hospital-based



#### 2. Pan-India/regional chain



#### 3. Standalone center



#### 4. Public- private partnership

*Source: Industry, CRISIL MI&A*

### Hospital-based diagnostic centres

Usually, large hospitals have their in-house pathology laboratories and radiology centres. Some private hospitals outsource the management of their diagnostic facilities to third-party private players. Major hospital chains such as Fortis Healthcare, Apollo Hospitals, and Max Healthcare, have their own diagnostic arm.

Generally, mid- and small-sized hospitals prefer to outsource their tests rather than set up in-house laboratory testing facilities. Hospitals that have no equipment to conduct advanced tests may also partner with other qualified diagnostic centres for radiology and pathology requirements.

Furthermore, equipment for advanced tests is expensive, and many hospitals may find it economically unviable to operate them owing to low testing volumes. For example, a hospital may have a machine to test whether a patient is HIV positive; however, to determine the virus count, the sample will have to be sent to a specialised pathology lab. Specialised tests with low patient volumes may also be outsourced to chain diagnostic labs.

### Government-led (PPP) model

A diagnostic centre set up through the government-led, or public private partnership (PPP) model involves diagnostic players entering a PPP deed with the government to provide specific diagnostic services (pathology, radiology, or both) for a specific concession period at pre-defined rates.

This model is meant to improve health facilities and facilitate accessible healthcare to all, especially at the bottom of the pyramid. In a PPP model, government contributions can vary from providing land lease and upfront capital infusion, to giving financial concessions on the capital infused by private players, rent-free land and captive customers. As a provider, the government could contribute towards building infrastructure and managing the operations of hospitals and diagnostic centres, and as a payer, it could pay for healthcare services provided by the private sector.

### Standalone centres

Low entry barriers and the absence of stringent regulations have led to growth in standalone centres. These centres usually carry out basic tests that require minimal investment and space; however, some offer specialised tests such as magnetic resonance imaging (MRI), computed tomography (CT) scan, and positron emission tomography (PET) scan. They mostly have accreditations as a testimony of their expertise and quality of services.

### Diagnostic chains

Many prominent diagnostic chains such as Agilus Diagnostics (formerly SRL Diagnostics), Dr Lal PathLabs, Krsnaa Diagnostics, Metropolis, and Thyrocare are present either in a specific region/geography or have a multi-regional presence and offer either pathology or radiology services, or both. Diagnostic chains adopt a hub-and-spoke model (usually for pathology-centric services), which helps them increase their catchment area in a cost-effective manner.

Tele-reporting is another new technology offering gaining prominence in India, as it helps increase players' coverage by providing the flexibility to report from anywhere in the country. Furthermore, as the industry is witnessing a shift towards more specialised testing, reputed diagnostic chains are venturing into it through offerings under specialised segments such as oncology and fertility.

### Hub-and-spoke model most preferred by diagnostic chains

The hub-and-spoke model in the diagnostics industry, particularly in the field of pathology, refers to a centralised approach for diagnostic testing and laboratory services. In this model, a central laboratory acts as the hub that receives and processes samples, and smaller satellite locations - or spokes - collect and send the samples to the central facility for analysis.

In the context of pathology, this model involves a central pathology laboratory that handles a large volume of diagnostic tests. This central lab is equipped with advanced infrastructure, skilled personnel, and sophisticated technology to perform complex pathology examinations, including tissue biopsies, cytology and molecular testing. It acts as the primary site for sample analysis and result generation, and the satellite locations, which could be clinics, hospitals, or collection centres, serve as the spokes. They are responsible for sample collection, initial processing, and transportation to the central lab. These satellite locations often have limited testing capabilities and may lack specialised equipment or expertise required for comprehensive pathology examinations. Therefore, they rely on the hub lab to provide accurate and timely diagnoses.

The hub-and-spoke model in the pathology industry offers several advantages. It centralises resources, expertise, and technology, ensuring standardised and high-quality testing across locations. It also enables the efficient utilisation of expensive equipment and minimises the duplication of services. Moreover, the model facilitates better coordination and collaboration among healthcare providers, as they can rely on a centralised pathology lab for accurate and timely diagnostic results.

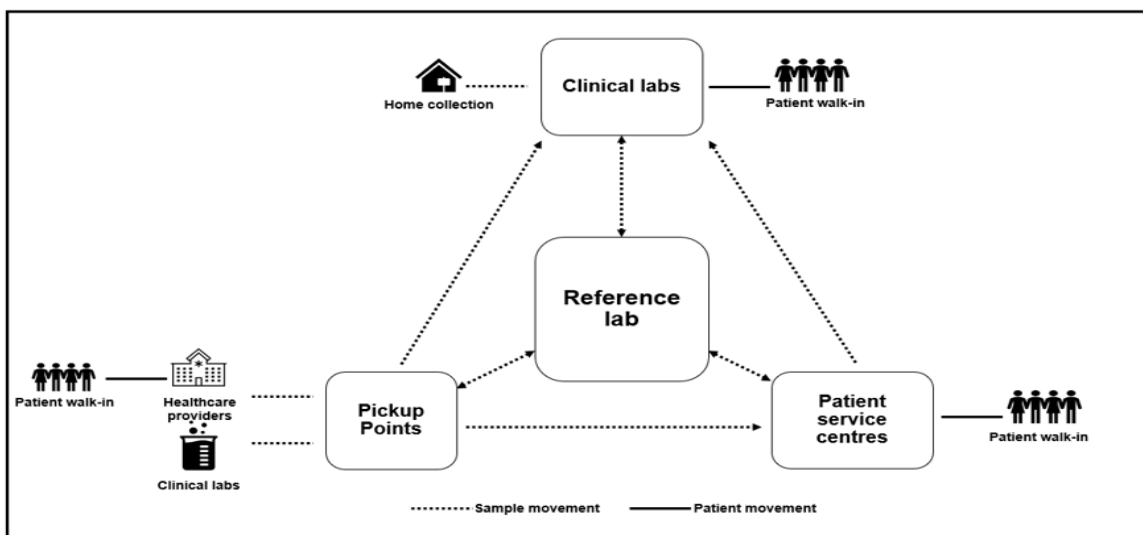


The components of this model include a national reference centre, regional or reference centres, satellite centres, and collection centres

*Note: The hierarchy shown above represents the typical flow of samples from the collection centre to the national reference centre. However, the hierarchy/terminology may vary from player to player.*

*Source: Industry, CRISIL MI&A*

### Value chain of diagnostics industry (pathology)



*Note: Patient service centres serve as sample collection centres, accommodating walk-in patients for convenient specimen submission. However, samples are sent to clinical and reference labs for testing. Similarly, pickup points are designated only as sample collection centres aimed at efficiently gathering samples from clinical labs and healthcare providers.*

*Source: Industry, CRISIL MI&A*

### National reference centres (main centre)

These are located centrally, usually in large metropolitan areas. They serve as the corporate headquarters of diagnostic chain companies. They are equipped to conduct both routine and specialised pathology and radiology tests. All operations between the national reference centre and its spokes are centrally coordinated through a central server-applied laboratory information management system (LIMS). LIMS offers customised enterprise resource planning (ERP) solutions for diagnostic lab companies, helping manage patient information and lab services.

Reports generated by the regional/national reference centres are sent to patients through the collection/satellite centres or can be viewed online. The usual turnaround time for a national reference lab for report generation ranges from a few hours (for routine tests such as blood analyses and sugar tests) to 2-4 days, depending on the type of test being conducted.

Diagnostic centres can also opt for air logistics, transporting samples collected at their collection centres in other cities by air. This is usually done for specialised tests that may be performed only at the national reference labs or, in the context of a hub-and-spoke model, at regional reference labs. Samples may be collected during the day and airlifted overnight to the national reference centre. In this case, the samples may take 12-24 hours to reach the reference lab. These labs then ensure faster turnaround times for sample analysis so that the overall time taken from sample collection to final report generation remains the shortest.

Many players in the industry are also adopting the tele-radiology practice, wherein the digital copies of images

are sent to a radiologist at a distant location. The radiologist examines the images and provides insights in the report, which is sent to the centre and delivered to the patient. Hence, the practice operates via a hub-and-spoke model.

### Regional reference centres

These are situated in large metropolitan cities and act as regional hubs that collect samples from the satellite and collection centres across the country. Like the main labs, reference centres also offer comprehensive and specialised testing facilities.

### Satellite centres

These offer limited services. They mainly act as feeders for regional reference centres and the national/main centre. Based on the complexity of the test, a satellite centre may choose to transfer samples to a regional or national reference lab (whichever is nearer and has sufficient requirement to carry out the required test). Satellite centres may be either owned or franchised by a diagnostic chain company.

### Collection centres

These are located in hospitals, nursing homes, pathology labs, clinics, prime commercial properties, and retail spaces, among other places. They may be company-owned or franchised. Collection centres do not carry out testing. They are involved only in the collection and forwarding of patient samples to a satellite or reference lab. A single collection centre can typically cater to areas within a 3-5 km radius. The centres usually have basic equipment in the form of a refrigerator and centrifuge, and employ minimal staff, such as a receptionist, lab technician, attendants, and delivery staff.

### *Overview and key characteristics*

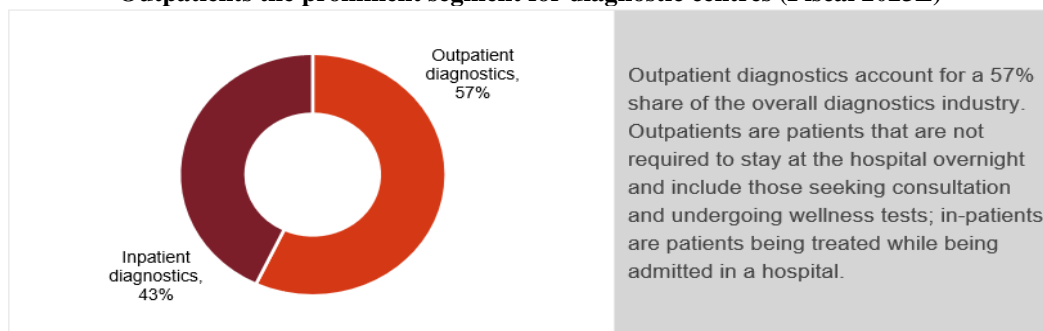
#### Lab tests drive 70% of the medical decisions

The diagnostics industry plays a pivotal role in preventing diseases, by providing vital tools and services for early detection, accurate diagnosis, and monitoring of several health conditions. According to the US Centres for Disease Control and Prevention (CDC), 70% of medical decisions depend on laboratory test results, which shows the important role clinical laboratories play in healthcare diagnosis.

Furthermore, usually doctors prescribe multiple diagnostics tests for the early detection, as well as monitoring, of diseases with diagnostic tests such as blood tests, imaging scans, and genetic screening. These tests not only help identify risk factors and detect diseases in early stages, but also assist healthcare professionals in tracking disease progression, adjusting treatment plans, and providing personalised care. Hence, generally a single visit to the doctor leads to multiple diagnostic tests for proper treatment.

Moreover, the diagnostics industry assumes a crucial role in advancing proactive healthcare, particularly in the post-Covid era. Diagnostic tests serve as a vital means for individuals to detect potential health issues at an early stage, often prior to the manifestation of symptoms. This early detection facilitates timely intervention and treatment, contributing significantly to the promotion of proactive healthcare practices.

#### **Outpatients the prominent segment for diagnostic centres (Fiscal 2023E)**



Notes: E - Estimated

Inpatient diagnostics includes wellness and preventive diagnostic tests

Source: Industry, CRISIL MI&A



### Rural areas account for only 24% revenue of the diagnostics industry

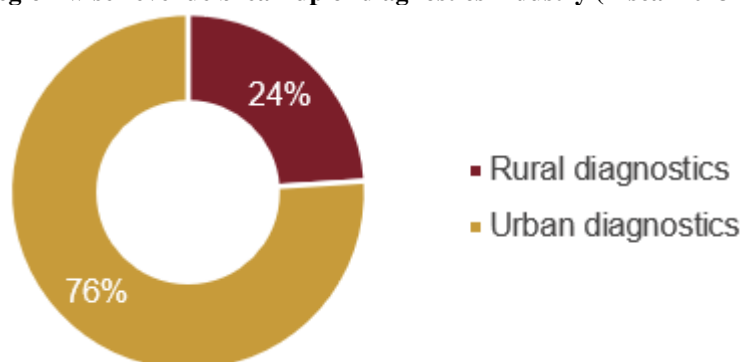
The industry can also be broadly segregated into urban and rural centres based on service provision. Urban centres typically have modern facilities and higher-priced tests. These facilities are usually in public and private hospitals and clinics or are standalone centres or diagnostic chains. In contrast, rural centres are largely primary health centres, government dispensaries and private dispensaries that have small-scale facilities and carry out basic tests. Furthermore, ticket sizes are also usually lower than in urban centres.

In rural areas, diagnostic tests are carried out in government and public hospitals, primary healthcare centres, at private doctor-run clinics, nursing homes, private dispensaries, charitable institutes and private hospitals. For more advanced diagnostic tests, rural patients are referred to the nearest urban centre, which indicates that there is a huge gap within healthcare services to serve rural India.

India's rural population (approximately 70% of India's total population) contributed only 24% revenue of the overall diagnostics market in Fiscal 2023, suggesting the under-penetration of diagnostics services in rural areas, as well as smaller ticket sizes.

In addition, as of Fiscal 2023, Delhi NCR and Mumbai accounted for 14-16% of the diagnostics industry in value terms.

### **Region-wise revenue break-up of diagnostics industry (Fiscal 2023E)**



*Notes: E - Estimated*

*Urban centres are areas or towns with a municipality, corporation, cantonment board, notified town area committee, and so on. Urban centres also fulfil the following criteria: a minimum population of 5,000, approximately 75% of the male main population engaged in non-agricultural work, town with a population density of at least 400 people per sq. km. All areas that do not fulfil these requirements are classified as rural centres.*

*Source: Industry, CRISIL MI&A*

### Indian diagnostics industry to log 8-10% CAGR between Fiscals 2023 and 2028

The diagnostic services sector, being a crucial component of the healthcare industry, plays a pivotal role in recommending essential treatments and monitoring patients' recovery post-treatment. Over the past few years, the industry has experienced robust growth, showing a healthy upward trend. Between Fiscals 2018 and 2023, the industry clocked a CAGR of 7.6%. Growth is moderated on account of lower Covid-led revenues in Fiscal 2023.

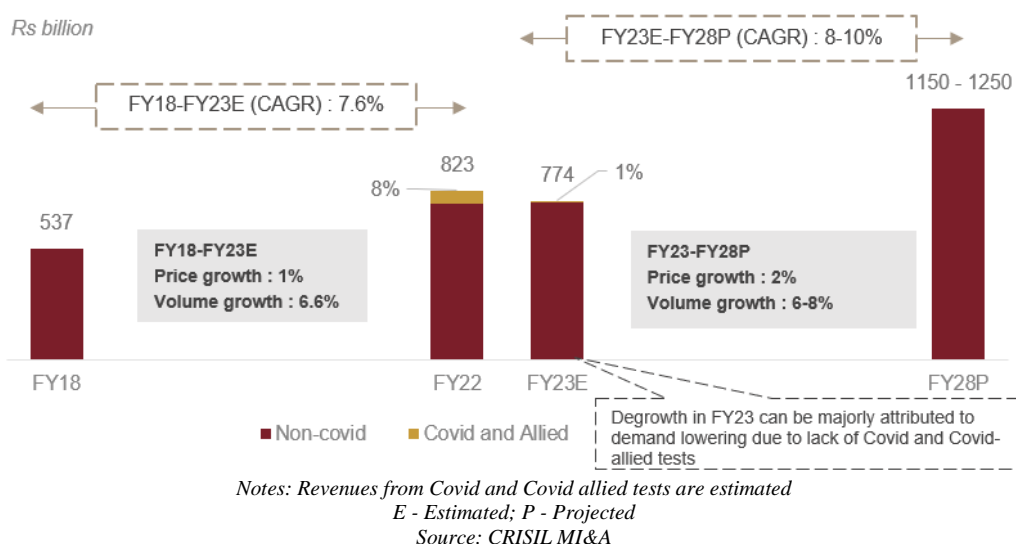
During the mentioned period, growth was primarily helped by volume growth, which accounted for 6.6% of overall growth, surpassing price growth, which contributed only 1%. The trend can be attributed to an increased number of players entering the market, thanks to the industry's low entry barriers, and the competitive pricing strategies adopted by players to gain market share.

The diagnostics industry is poised for substantial growth between Fiscals 2023 and 2028. The overall industry is expected to reach a market size of ₹1,150-1,250 billion, logging a CAGR of 8-10%. Several factors contribute to this outlook. Firstly, growth is supported by rising literacy rates and disposable income among the population, leading to increased awareness and demand for quality healthcare services, including diagnostics. Further, a rise in urbanisation, coupled with that in lifestyle-related diseases and ageing population, will create a greater need for accurate and timely diagnostics to identify and manage these health issues effectively.

Overall, increasing focus on preventative medicine, increasing incidence of chronic and lifestyle diseases,

preference for evidence-based treatment, changing nature of diseases, expansion of organized healthcare and increased use of technology in healthcare are set to drive the growth of the Indian diagnostics services industry moving forward.

### Indian diagnostics industry, trend and projection



### Key six players registered a faster growth than Industry

In the Indian diagnostic Industry between Fiscals 2018-2023 key six have grown faster than the rest of the industry. These key six players include – Agilus Diagnostics Limited, Dr. Lal PathLabs Ltd, Metropolis Healthcare Ltd, Krsnaa Diagnostics Ltd, Thyrocare Technologies Ltd, Vijaya Diagnostic Centre Ltd – in no specific order.

Between Fiscals 2018-2023, these key six clocked higher CAGR growth (11.5%) when compared overall industry (7.6%). This growth can be majorly attributed to inorganic due to inorganic growth strategies like acquisitions, increased geographical reach through setting up of new labs, pickup points, more comprehensive test menu, and better customer experience through integration of offline and online channels.

### Growth of key six players in diagnostic industry

	FY18-23 CAGR
Key six organized players	11.5%
Rest of the Industry	6.3%
Overall industry	7.6%

Note: E - Estimated; P - Projected  
Source: CRISIL MI&A

### Industry shifting towards diagnostic chains

The Indian diagnostics industry is highly fragmented, given the high proportion of standalone centres and hospitals labs occupying a smaller share of the pie. The diagnostic chains are further split into regional and multi-regional chains, of which regional chains account for the majority.

The industry’s profitability is defined based on high volume of testing and optimal utilisation of labs. Also, high capex requirements for radiology deter standalone players from investing beyond basic radiology. Given the low entry barriers and lack of a strong regulatory environment, the industry has many standalone players. This has made the industry highly competitive and fragmented, and hence smaller players are finding it hard to stay profitable.

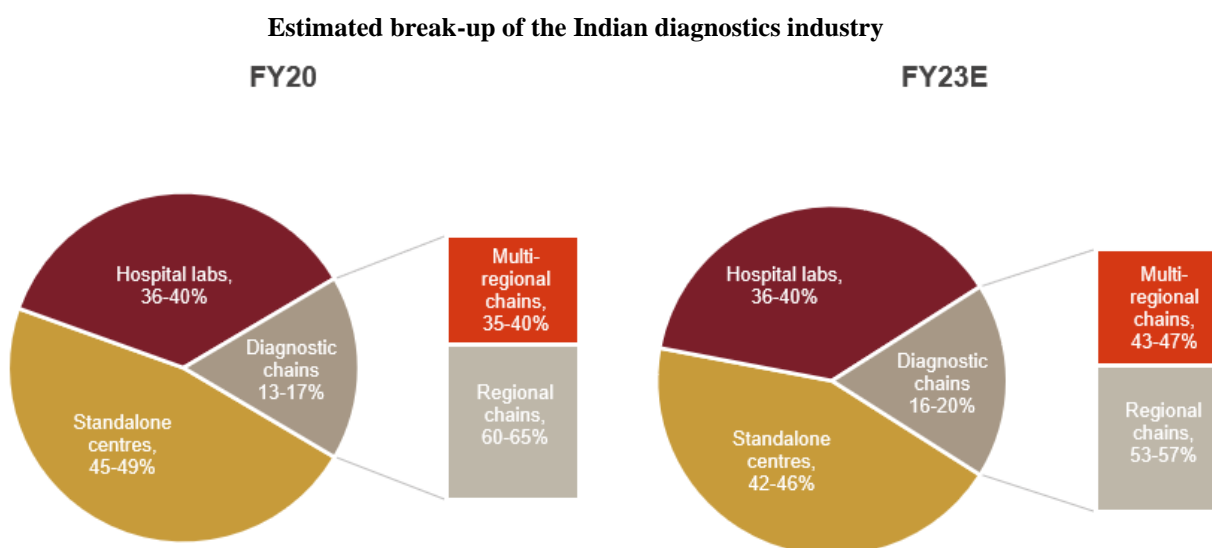
Diagnostic chains, on the other hand, have stronger financial discipline and negotiating power with suppliers, greater capital, and administrative resources to meet the needs to sustain the business compared with standalone diagnostic centres.

Diagnostic chains have expanded into geographies, where they have limited presence via inorganic route. tier 2 and 3 cities are the major focus of these established players where struggling standalone centres become prime opportunities for acquisition.

Led by these factors, the industry has witnessed a shift from standalone centres to diagnostic chains, due to the increasing trend of patients’ reliance on diagnostic chains for their quality of service and unavailability of complex tests with standalone centres - not only at the country level but also in regional markets.

In addition to these factors, diagnostic chains possessing better national and international accreditations and scalable business model, wherein through brand reputation and operational efficiency these chains can cater to a larger set of population, has led to an increase in the share of diagnostic chains to 16-20% of the overall diagnostics industry as of Fiscal 2023 from 13-17% in Fiscal 2020.

Within the diagnostics chains, multi-regional chains led diversified presence, large scale of operations supporting the volume growth coupled with acquisitions have gained market during the period mentioned.



*Notes: The average of ranges mentioned add up to 100%  
E - Estimated; P - Projected  
Source: CRISIL MI&A*

**An overview of the Indian pathology diagnostics industry**

Pathology forms a predominant segment of the overall industry.

**Segment-wise break-up of the diagnostics industry (Fiscal 2023 estimates)**

	<p><b>Pathology</b></p> <p><b>56%</b></p>	<p>Pathology testing, including routine and specialised tests, commands a higher share of the diagnostic market. Typically, a battery of tests is prescribed under a single pathology test panel for a single patient.</p>
	<p><b>Radiology</b></p> <p><b>44%</b></p>	<p>Though the volumes of pathology tests prescribed are greater, the price of a single pathology test is usually lower than a single imaging test such as an MRI or even an X-ray scan. The latter may usually cost 2-3 (or more) times a regular pathological test.</p>

*Note: E - Estimated  
Note: The above analysis is without taking into consideration COVID-19 testing business.  
Source: CRISIL MI&A*

### Radiology tests are at least 2-3 times expensive than pathology tests

Pathology tests generally exhibit a comparative cost advantage over radiology tests. However, as a battery of pathology tests needs to be performed for proper analysis, the cumulative expense incurred on pathology tests under a single panel of pathology examination may surpass those of radiology. Additionally, due to the rising number of lifestyle diseases, such as cardiovascular diseases and diabetes, and increasing awareness about preventive healthcare, pathology is expected to continue forming the major segment in the diagnostics industry.

#### **Indicative test costs in pathology and radiology segments (2023)**

Sr no	Name of test	Indicative cost (Rs)	
		In private diagnostic centres	PPP model
<b>Pathology tests</b>			
1	Glucose test	150-200	25-40
2	HbA1c	500-550	75-105
3	Thyroid profile	500-550	120-165
4	Lipid profile	650-750	120-165
<b>Radiology tests</b>			
1	Sonography test	700- 1200	275-330
2	CT scan	2000-5000	525-2000
3	MRI scan	5000-10000	850-4550

*Note: Thyroid profile includes T3, T4, and TSH. Glucose tests includes fasting and post-prandial blood sugar  
Source: CRISIL MI&A*

### Pathology diagnostics segment logged a 6.9% CAGR between Fiscals 2018 and 2023

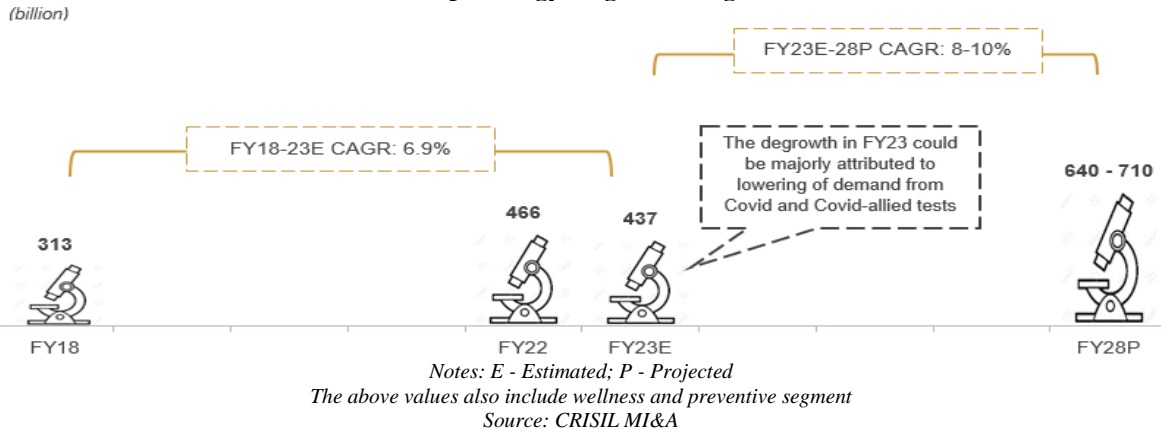
Indian pathology diagnostics segment has experienced a growth of 6.9% CAGR with the segment growing from ₹313 billion in Fiscal 2018 to ₹437 billion in Fiscal 2023, primarily driven by factors such as the rise in population, increase in non-communicable diseases, and an increase in health awareness.

In addition to mentioned factors, growth in Fiscal 2022 was also poised by the COVID-19-led pandemic. During this period, players operating in the pathology diagnostics segment witnessed strong growth in volumes, led by the demand for COVID-19 and allied testing during April-June 2021. Further, during the period, large and organised players were able to benefit more from the increased demand compared with smaller players, which did not have COVID-19 testing capacity. Apart from large diagnostic chains, diagnostic labs, which have a footing in genomic and molecular testing, have also been able to derive benefit from their testing capabilities with the overall segment seeing a year-on-year growth of 14.6% for the fiscal.

However, in Fiscal 2023, the segment saw a decline to ₹437 billion (approximately 6% year-on-year degrowth), led by lower demand from COVID-19 and allied tests despite the third wave of pandemic and from a high base of Fiscal 2022.

Moving ahead, revenue from COVID-19 and allied tests are expected to be moderated from Fiscal 2024. This is because large proportion of population is fully vaccinated, and eligible vulnerable population (healthcare workers, frontline workers, and senior citizens) has received the booster doses.

## Indian pathology diagnostics segment



### Indian pathology diagnostics segment to see steady growth in the long run despite a blip

The Indian pathology diagnostics segment is expected to log an 8-10% CAGR, growing to ₹640-710 billion by Fiscal 2028, driven by a rise in literacy rate and disposable income, as individuals increasingly demand better healthcare facilities and quality of care, leading to high volume growth of in-patient and out-patient treatments.

The rise in healthcare demand has also received a boost from a rise in urbanisation and an increase in lifestyle-related diseases, such as cardiac diseases, diabetes and cancer, prompting many healthcare companies to enhance their offerings in metropolitan areas, tier 1 and 2 cities. Further, growth is also bolstered by an increase in insurance penetration, increasing emphasis on health, rising disposable income, coupled with government initiatives, such as free diagnostic service initiative, PMJAY and Ayushman Bharat.

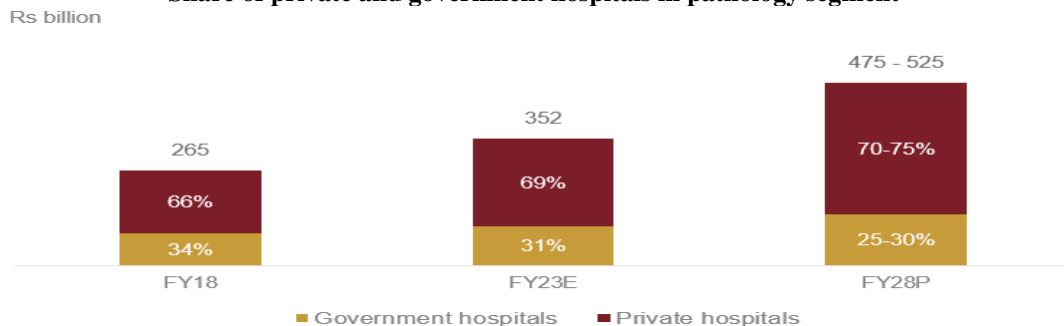
### Private hospitals occupy higher share than government hospitals

In India, private hospitals have come to occupy a dominant share in the pathology diagnostics industry, surpassing government hospitals. As of Fiscal 2023, the share of private hospitals (In value terms) in pathology diagnostics segment (excluding wellness and preventive) is 69%.

One of the primary reasons for the dominance of private hospitals is their quality and accessibility. Private hospitals in India have often been associated with better infrastructure, modern medical equipment, and a higher standard of care compared to government hospitals. Patients seeking reliable services are drawn to private hospitals due to the perceived quality and accessibility of these facilities.

Private hospitals frequently specialize in certain medical fields, such as cardiology and oncology. These specialized facilities attract patients with specific medical concerns, leading to a higher volume of patients seeking these services. In addition, India being a popular destination for medical tourism and private hospitals playing a pivotal role in catering to international patients. These above-mentioned preferences of private hospitals over government hospitals leads to a higher patient footfall in private hospitals, subsequently driving more demand for diagnostic services.

### **Share of private and government hospitals in pathology segment\***



Note: E - Estimated; P - Projected  
\*The above values do not include the wellness and preventive segment  
Source: CRISIL MI&A

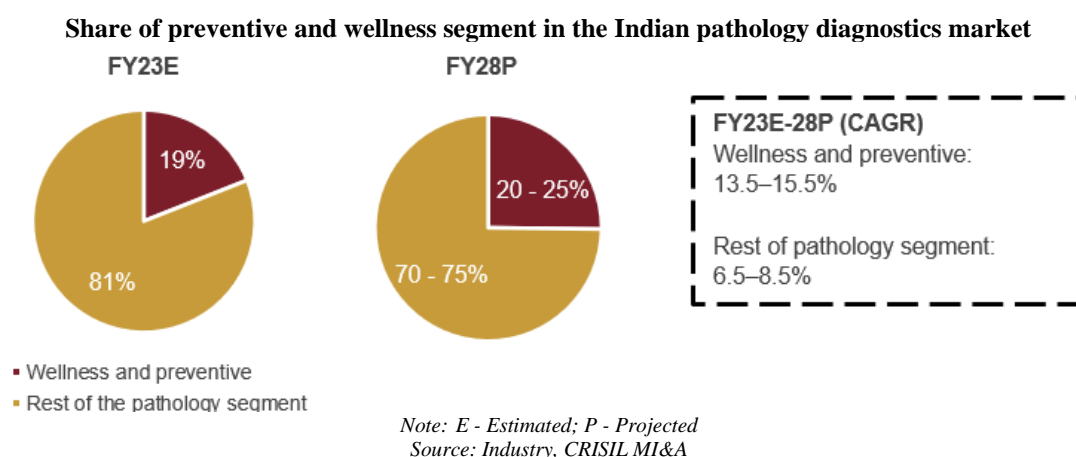
### Preventive and wellness testing packages to gain traction

There has been a significant growth in the demand of preventive health check-up in India in recent years and the COVID-19 pandemic has resulted in an increased awareness of self-testing, particularly in relation to preventive and wellness services. Mid-to-large-sized diagnostic chains and hospital-based diagnostic centres are increasingly packaging and marketing their test menus in the form of preventive and wellness packages.

These health packages help to identify pre-existing diseases, or the likely risk from a particular disease before the actual symptom appears, helping individuals take corrective action before chronic conditions take hold.

Diagnostic companies offer such health check-up packages through corporate clients and market these directly through labs and collection centres. Most of the packages either specifically screen for a chronic disease or comprise a slew of tests to ascertain the overall health of an individual. Moreover, preventive and wellness tests consist of biochemistry tests to check an individual's risk to chronic diseases, such as cardiovascular diseases and diabetes, among others.

The overall market for wellness and preventive diagnostics, which is approximately 19% of the total pathology diagnostics segment as of Fiscal 2023 is expected to grow at a healthy rate of 13.5-15.5% between Fiscals 2023 and 2028, led by major factors which include rising disposable incomes, increase in urbanisation and increasing awareness about prevention and wellness following COVID-19.



### Biochemistry tests contribute to the highest share in the pathology segment

Pathology tests have gained prominence over the past few years as the first line of diagnostics for majority of diseases/treatments, a shift from the erstwhile practice of relying solely on clinical assessment to diagnose and treat diseases. This shift is majorly due to the rising share of chronic diseases - such as cardiovascular diseases, diabetes and cancer - in the total disease burden in the country.

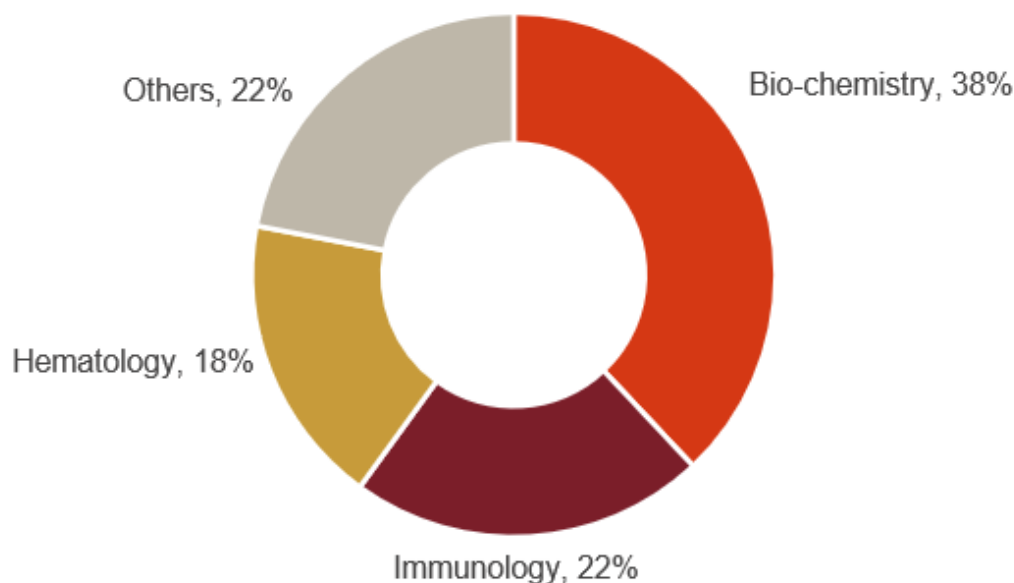
As of Fiscal 2023, bio-chemistry tests, which encompass a broad range of tests that analyse chemical components and processes in bodily fluids, comprised the highest proportion of 38% in the pathology test segment. Major tests within this segment may include blood glucose tests, lipid profiles, liver function tests, kidney function tests, and tests for cardiac markers. Furthermore, with chronic and lifestyle diseases continuously rising, share of sugar and lipid profiles, which currently hold a dominant share within the spectrum of biochemistry tests, is expected to rise further.

Immunology, accounting for 22%, forms the second largest sub-segment. It involves the study of the immune system and its response to diseases. This segment includes tests such as allergy testing, autoimmune disorder testing, viral and bacterial infection testing, and immune deficiency evaluations, which help in diagnosing auto immune and immunodeficiency diseases, and allergies. These tests depend on the measurement of the immune system through analysis of blood serum components, such as total serum antibodies (IgG, IgA, and IgM), circulating lymphocyte subsets, and auto antibodies (ANA, rheumatoid factor).

Haematology, representing 18%, focusses on the study of blood and blood-related disorders. Investigations include use of special instruments, such as coulter counter to measure the number of various blood cells,

microscopic analysis of blood to ascertain shape and size of certain blood cells to ascertain diseases, such as anaemia and leukaemia, and clotting and bleeding studies to ascertain diseases such as haemophilia.

**Service-wise break-up of clinical pathology testing (Fiscal 2023)**



*Note: E - Estimated*  
*Source: Industry, CRISIL MI&A*

***Specialised tests have gained prominence in the diagnostic market***

Pathology can be bifurcated into routine and specialised test segments. Routine tests are basically screening tests, comprising basic immunology, haematology, and biochemistry tests, with a turnaround time of generally less than 6 hours.

On the other hand, specialised test help in deep diagnosis and analysis of diseases and usually have a longer turnaround time. Major specialised tests include oncology (cancer markers), genomic testing, hepatitis testing, and so on. Currently, there are three major national diagnostics chains, namely, Agilus Diagnostics, Dr Lal Path Labs and Metropolis, which have comprehensive specialised test menus. Some of the key specialised tests conducted in India are as follows:

Test name	Description
Anti-Müllerian Hormone (AMH) test	The AMH test is a blood test that measures the level of AMH in a woman's blood. AMH is a hormone produced by the ovarian follicles, which are small sacs in the ovaries that contain the eggs. The AMH test is primarily used to assess a woman's ovarian reserve, which refers to the quantity and quality of eggs remaining in her ovaries
Coagulation profile	A coagulation profile is a specialised laboratory test that evaluates the clotting ability of a person's blood. It provides information about various factors involved in the blood coagulation process, helping to diagnose bleeding or clotting disorders
Cytogenetics	Cytogenetic testing involves analysing chromosomes to identify genetic abnormalities, such as chromosomal rearrangements, deletions, or duplications. It is crucial in diagnosing genetic disorders, identifying chromosomal abnormalities in cancer, and assisting in prenatal diagnosis
Genetic testing	Genomic testing involves analysing an individual's DNA to identify genetic variations and mutations associated with diseases. It plays a crucial role in diagnosing genetic disorders, predicting disease risk, and guiding personalised treatment plans. Genetic testing can include tests for inherited conditions, carrier screening, pharmacogenomics, and prenatal testing

GeneXpert	GeneXpert is a revolutionary molecular diagnostic platform that enables rapid and automated detection of tuberculosis (TB) and drug resistance. It is widely used for diagnosing TB and determining resistance to the antibiotic rifampicin, which is a critical first-line drug for treating TB
Genomic testing	Genomic testing is a new field of genetics and refers to process of examining entire genome of humans. It is mainly used for diagnosis of gene alterations, or harmful changes like cancers or tumours
Gastrointestinal (GI) enzymes	GI enzymes specialised pathology tests are diagnostic tests used to evaluate the function and health of the gastrointestinal system. These tests measure the levels or activity of specific enzymes that play a role in digestion and absorption of nutrients in the gastrointestinal tract. Some common examples of GI tests are lipase test, pancreas test, and barium swallow
Histopathology Analyses	Histopathology is the study of diseased tissues under a microscope to assess cellular changes and diagnose diseases. It plays a critical role in the diagnosis and staging of various cancers, including breast, lung, and gastrointestinal cancers. Histopathology analyses are also used to detect infectious diseases, autoimmune conditions, and inflammatory disorders
Maternal marker test	A maternal marker test, also known as a prenatal screening test, is a medical test performed on a pregnant woman to assess the risk of certain chromosomal abnormalities or genetic disorders in the fetus. These tests are typically conducted during the first and second trimesters of pregnancy and involve analysing specific substances or markers in the mother's blood

*Note: The above-mentioned list is indicative and not exhaustive in nature*

*Source: Industry, CRISIL MI&A*

### Specialised test segment to garner a share of 10-12% in overall diagnostics industry as of Fiscal 2028

The specialised testing market in India has witnessed significant growth and advancements in recent years, especially post COVID-19, due to the increasing awareness and a rise in technical advancement as well as research and development. Innovation and advancement in the sector make specialised tests more accessible and economical for masses in the long run, and eventually being classified as semi-specialised or regular testing with higher volume demand. With the updating of list of tests classified as specialised test, the share of specialised becomes difficult to estimate. Moreover, definition of what constitutes specialised test varies for every diagnostic player.

Basis interaction with various industry participants and broad industry understanding, CRISIL estimates the share of specialised segment at an overall level of around 8-12% in Fiscal 2023. The share is expected to roughly rise to 10- 15% in Fiscal 2028, with the segment growing at 10-15% during the same period, which is slightly higher than the overall diagnostics industry' average growth of 8-10%.

### Expertise required for offering specialised test

Specialised testing in the diagnostics industry requires expertise across multiple domains, including laboratory sciences (haematology, immunology, microbiology, molecular biology and other specialised laboratory disciplines), and access to advanced technologies and sophisticated instruments. In-depth knowledge of specific segments within specialised tests is also required for analysing and identifying abnormalities and preparing the results. For e.g., to provide specialised tests related to genetics, individuals with good expertise in genetics should be available, who can identify genetic mutations/ hereditary diseases, and accordingly disseminate the correct results.

Additionally, as specialised tests are prescribed for detailed analysis of diseases/ abnormalities, strict adherence to quality and regulatory standards is also required to ensure accurate and reliable results. Furthermore, as specialised tests are continuously evolving, these require additional financial and human resources for research and development, as well as upgradation of the technology.

### Key trends in the specialised test segment

**Integration of artificial intelligence and machine learning:** The integration of artificial intelligence (AI) and machine learning (ML) in diagnostics is on the rise in India.

These technologies are being utilised to analyse large datasets, improve diagnostic accuracy, assist in data-driven decision-making, and decrease dependence on doctors for routine operations. Also, AI-based algorithms can aid in interpreting complex imaging studies, identify patterns in genomic data, predict disease risks, and assist in clinical decision support systems. It has the potential to enhance the efficiency, accuracy and speed of specialised tests as well.

**Increasing usage of next-generation diagnostics:** Next-generation diagnostics are gaining in popularity in the specialised testing space in India, as these advanced technologies enable comprehensive and high-throughput analysis of genetic material, proteins and other biomarkers, revolutionising disease diagnosis, treatment selection



and patient care.

Within next-generation diagnostics, genomic sequencing, in particular, is gaining popularity. In India, genomic sequencing is being widely adopted for applications such as cancer genomics, rare genetic disorders and infectious disease surveillance. Also, next-generation diagnostic is becoming increasingly popular among the youth, especially before marriage, to rule out possibility of genetic disorders in their children.

#### Advantages of offering specialised tests for players

Advantages	Description
Ensures differentiation	Offering of a specialised test menu requires experienced technicians, trained sales personnel and considerable capital expenditure, owing to which not many players can offer these tests. Hence, providing specialised tests, in addition to normal screening tests, to customers serve as a good differentiator for full-service diagnostics players, and also provides a holistic customer experience.
Enhances patient care	Providing a broader range of advanced and specialised testing services, apart from normal screening tests, helps patients access all services under one roof, which, in turn, improves customer experience and loyalty. Furthermore, specialised tests enable more precise diagnoses, thereby improving patient care.
Helps establish trust of healthcare practitioners	Offering specialised tests alongside routine tests provide convenience to healthcare practitioners as well as patients. Additionally, as offering specialised tests require additional financial and human resources, as well as strict adherence to quality standards, providing these tests also helps in establishing trust of healthcare practitioners, thereby improving their referral network.

#### Key challenges in offering specialised tests in India

Challenges	Description
Lack of competent technicians	A significant challenge in offering specialised tests in India revolves around the scarcity of competent technicians as shortage of skilled technicians poses a substantial hurdle to the overall accessibility of specialised tests across the country. Hence, addressing the deficiency of competent technicians is vital to ensure reliable specialised testing and accurate diagnosis.
Shortage of specialised sales force	Selling and promoting specialised tests require a knowledgeable sales force that can effectively communicate the benefits of these tests to healthcare providers, especially doctors, as they are the prime influencers. However, the specialised test segment currently faces shortage of specialised work force which directly impacts collaboration between the various healthcare providers (like doctors, clinics, hospitals) and diagnostic provider due to inefficient communication. To address this challenge, diagnostic providers have started targeted training and development programs to cultivate a specialised sales force.
Longer TAT	Specialised tests often involve complex procedures and in-depth analysis, leading to longer TATs for obtaining test results compared with routine tests. Further, in most cases, 15-20 samples are needed per round to run specialised tests profitably, which further impacts TAT, and, in turn, customer experience.
Capital-intensive business	Specialised testing often requires significant investment in advanced laboratory equipment, infrastructure and technology. The capital-intensive nature of specialised testing can be a barrier to entry for smaller diagnostic laboratories or start-ups. Moreover, sustained investments are necessary to stay up to date with emerging technologies and maintain quality standards.
Heavy reliance on imported reagents	Currently, all reagents used for specialised tests are imported, which makes the market susceptible to supply chain disruptions and delays. This can lead to uncertainties in the availability and cost of reagents, impacting continuity and affordability of specialised testing services. Though some players have started manufacturing reagents in India, the quantity is not sufficient to fulfil the demand of big players, owing to which they have to still rely on imported reagents.

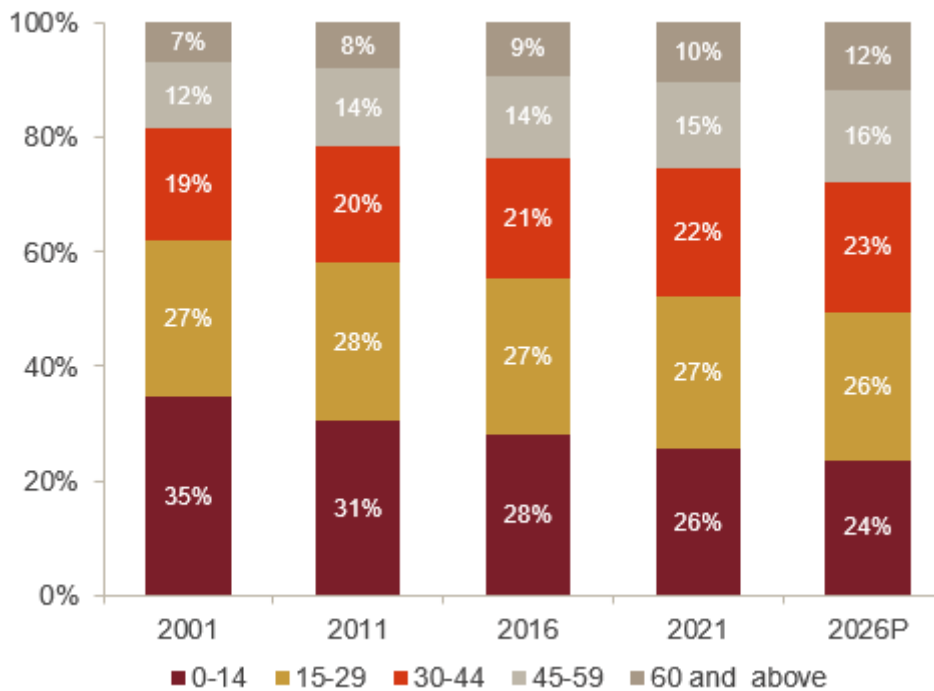
#### Key growth drivers of the Indian diagnostics industry

##### Ageing population

India is experiencing a demographic shift, with more people entering the older age bracket. The share of the population in the above 60-year age bracket, which was just 7% in 2001, is expected to increase to 12% by 2026. This trend is driven by factors such as increased life expectancy owing to improved healthcare infrastructure and

advancements in medical care.

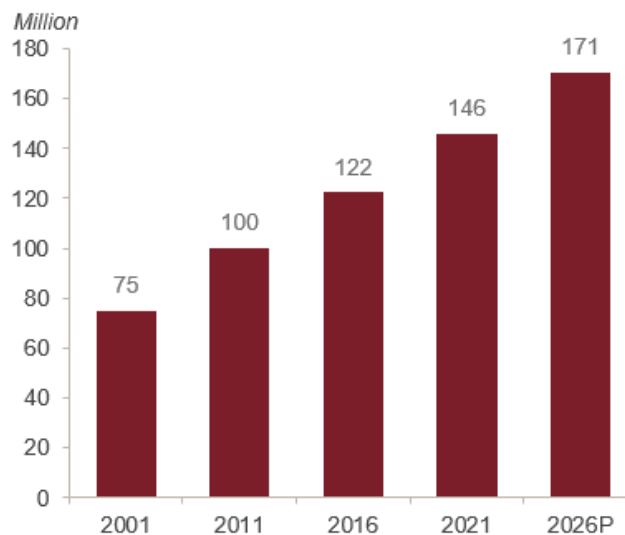
### Break-up of India's population by age



Note: P - Projected

Source: World Population Prospects 2022, Department of Economic and Social Affairs Population Division, CRISIL MI&A

### India's population 60 and above years



Note: P - Projected

Source: World Population Prospects 2022, Department of Economic and Social Affairs Population Division, CRISIL MI&A

However, as people age, the risk of developing chronic diseases and age-related ailments, such as cardiovascular diseases, diabetes, cancer and neurodegenerative disorders, rises. Owing to increasing prevalence of age-related diseases, the need for regular health check-ups and the demand for specialised diagnostic services are expected to propel the growth of the diagnostics industry.

#### Government initiatives have significantly benefited the diagnostics industry

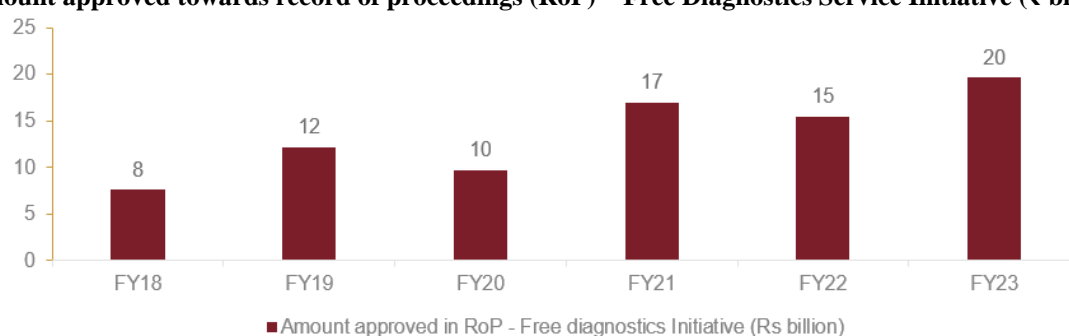
The government has implemented several measures and policies, such as Free Diagnostics Service Initiative under

the NHM, to improve healthcare access and healthcare infrastructure, and promote preventive care through diagnostic services.

Moreover, the government has encouraged public-private partnerships (PPPs) in the diagnostics space to leverage the expertise and resources of both segments. These partnerships have led to improvements in infrastructure, technology, and service delivery, enabling better access to diagnostic services across the country, besides propelling industry growth. Take the case of the Free Diagnostic Service Initiative, which is delivered through in-house, PPP and hybrid modes in states/ union territories (UTs). As of October 2022, the initiative had been implemented in 33 states/ UTs. In fact, government initiatives, such as Ayushman Bharat, PMJAY, Free Diagnostics Service Initiative, NUHM, NRHM, etc, have emerged as significant growth drivers for the Indian diagnostics industry.

Programmes such as PMJAY are expected to boost health insurance coverage in India, ensuring affordability in availing healthcare services, including diagnostics services. Furthermore, policies such as the NHM and Ayushman Bharat have focused on expanding healthcare infrastructure, promoting preventive care, and increasing access to diagnostic services, particularly in rural and underserved areas.

#### Amount approved towards record of proceedings (RoP) – Free Diagnostics Service Initiative (₹ billion)

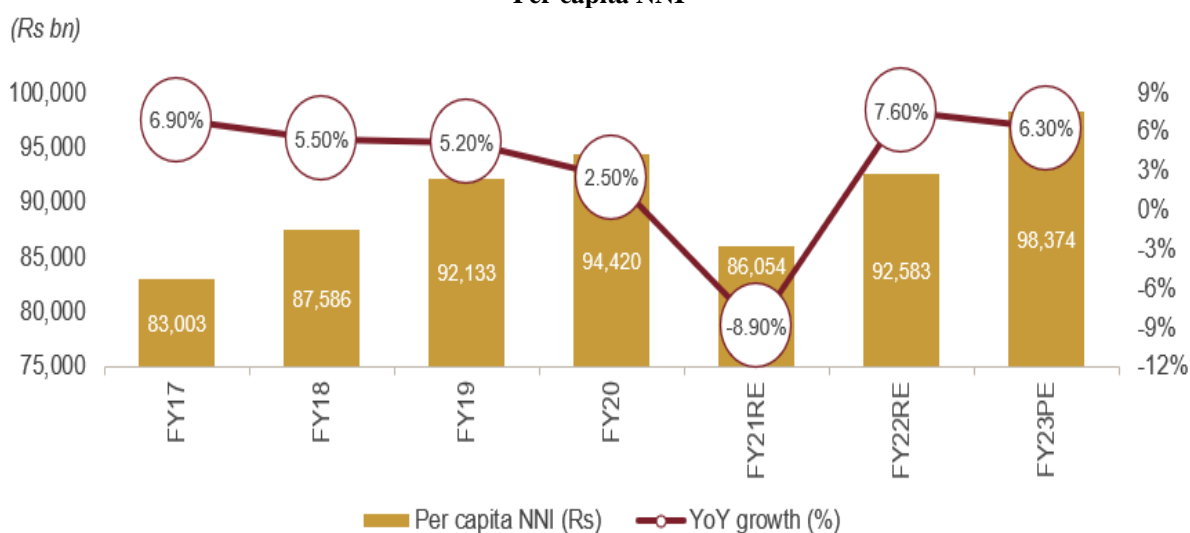


Source: Ministry of Health and Family Welfare annual report, CRISIL MI&A

#### Rising income levels

The COVID-19 pandemic had caused a temporary setback to the Indian economy in Fiscal 2021, leading to a decline in NNI per capita. However, the economy rebounded in Fiscal 2022, with NNI per capita rising 7.6% on-year to ₹92,583. Furthermore, NNI per capita further increased to ₹98,374. This consequent increase in disposable income levels also infers that there is more willingness to invest in healthcare services, including diagnostic tests, reinforcing the industry’s growth potential.

#### Per capita NNI



Note: RE - Revised estimates, AE - Advance estimates; PE - Provisional estimates  
Source: Provisional Estimates of Annual National Income, 2022-23, CSO, MoSPI, CRISIL MI&A

#### Growing health awareness with subsiding of COVID-19 infections

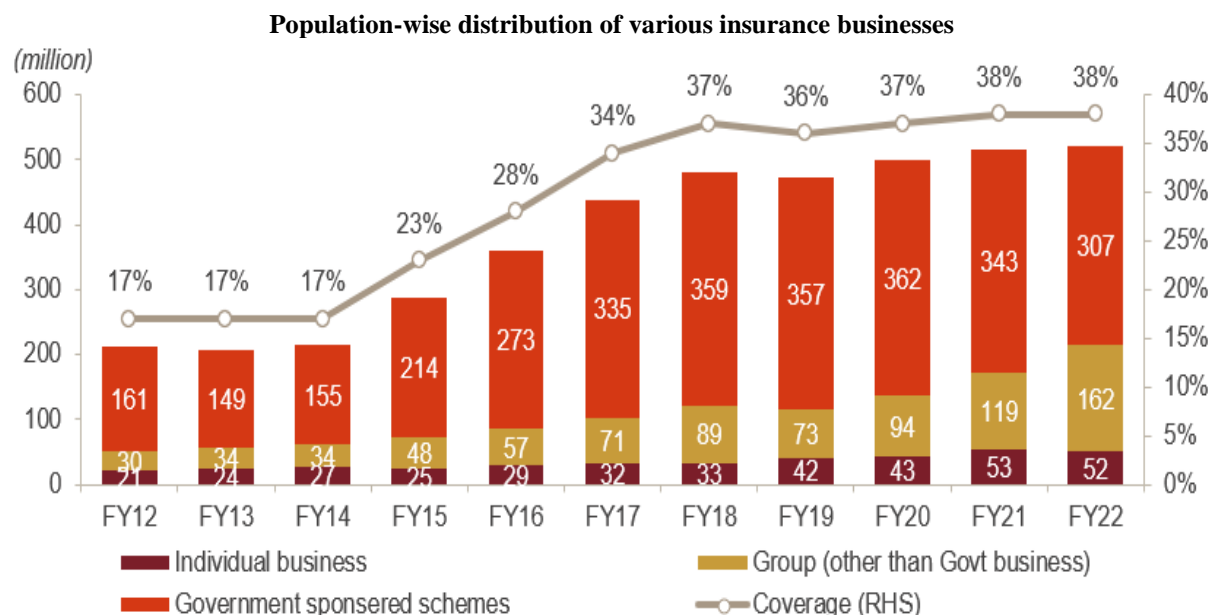
There has been a significant increase in health awareness and a growing emphasis on preventive healthcare in

India, especially following the onset of COVID-19. The pandemic has heightened the importance of healthcare, including preventive care, such as early detection and regular health check-ups. This has increased the importance of diagnostic services, further driving demand for a wide range of diagnostic tests.

Various awareness campaigns organised by the government are also increasing health awareness, thereby driving the demand for diagnostics services.

Increased health insurance penetration

The number of individuals covered under health insurance crossed 520 million in Fiscal 2022 vis-à-vis 482 million in Fiscal 2018. Furthermore, health insurance penetration in the country has continuously increased, and covered 38% of the population as of Fiscal 2022.



Source: Insurance Regulatory & Development Authority of India report 2021-2022

As health insurance provides financial protection to individuals and families against healthcare expenses, including diagnostic tests, they are more likely to seek the necessary diagnostic services. With individuals not having to resort to out-of-pocket expenses, the affordability of diagnostics services will increase. This will encourage individuals to undergo regular health check-ups, preventive screenings and specialised diagnostic tests, thereby driving demand for diagnostic services.

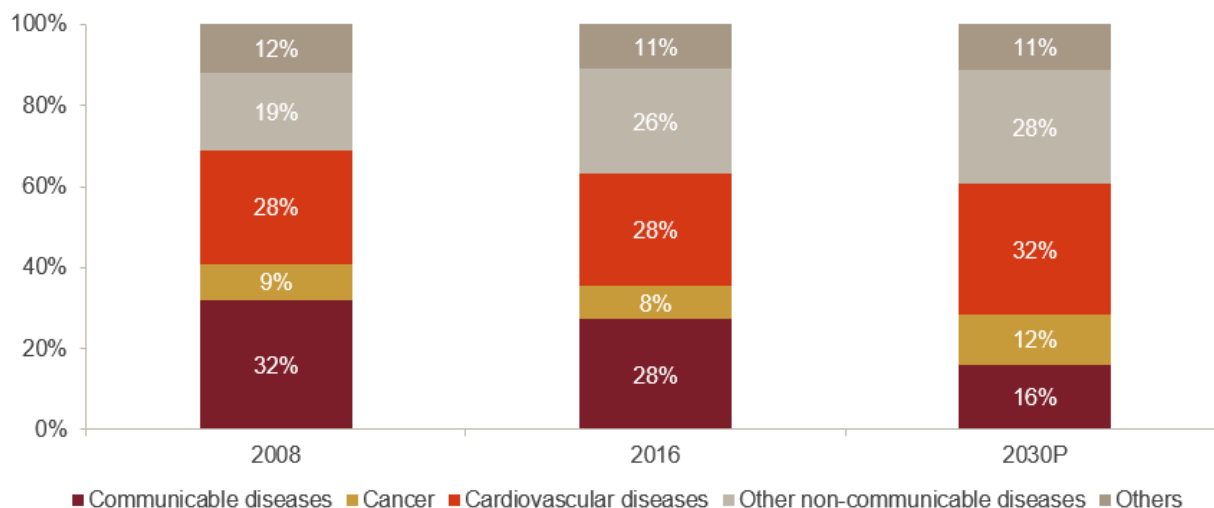
NCDs boosting demand for diagnostics services

India is currently undergoing a significant transition in disease pattern, characterised by rising prevalence of NCDs, such as cardiovascular diseases, diabetes, cancer and respiratory disorders. In fact, NCDs are emerging as the primary contributor to the country’s disease burden, accounting for 59% of DALYs in India in 2019 vis-à-vis 36% in 2000. Moreover, the share of NCDs in death is also increasing, with NCDs expected to comprise approximately 72% share of total deaths by Fiscal 2030.

This can be attributed to factors such as an ageing population and a more sedentary lifestyle. Hence, given increasing prevalence of NCDs, and the need for early detection and effective management, the demand for diagnostic services is anticipated to grow significantly. Additionally, the changing disease profile has led to a shift in healthcare priorities, with increased focus on preventive healthcare, early detection and disease management.

This, in turn, is expected to translate into higher demand for diagnostic services, including routine check-ups, screenings and specialised tests.

### Causes of death in India



Note: P - Projected

Source: WHO Global Burden of Disease, India: Health of the Nation's States, CRISIL MI&A

### Under-penetration of non-metro regions provides growth opportunity

As of Fiscal 2023, diagnostic test penetration in India was 600-650 tests per 1,000 population. Bifurcating the numbers, metro regions had a penetration of 1,500-2,000 tests per 1,000 population whereas in non-metro regions, it was 550-600 tests. However, non-metro regions accounted for 85-90% share of the total tests.

Hence, this under-penetration in non-metro regions provides a growth opportunity for the industry.

Region	Tests per 1,000 population in FY23 (estimates)
Metro	1,500 – 2,000
Non-metro	550 – 600
India	600 – 650

Source: Health Management Information System, CRISIL MI&A

### **Key risk factors for the Indian diagnostics industry**

#### Shortage of skilled labour

There is considerable shortage of full-time doctors and staff in the diagnostics industry, due to which training and retention of seasoned employees has become critical for players. The situation is more critical for standalone diagnostic centres, which may not be able to employ well-trained lab technicians and pathologists, thereby affecting the quality of outcomes. This is essential as accredited labs must mandatorily employ a full-time lab technician/phlebotomist and a radiologist.

#### High cost of equipment

Diagnostic centres must constantly upgrade their technology to stay ahead of the competition and provide precise results. These upgrades not only involve significant capital investment, but also incur maintenance cost and require trained technicians, which leads to higher overall cost. Furthermore, the capital intensity is higher for advanced radiology and molecular diagnostics, which require high-end equipment.

Due to the capital-intensive nature of the equipment, large diagnostic chains are inclining towards the reagent purchase model. In this model, diagnostic companies usually install the equipment on rent, provided they purchase reagents from the manufacturer for a certain period or agree to pay the manufacturer a specified price per test conducted.

Type	Price (Rs million)	Description
<b>Pathology equipment</b>		
Biochemistry analyser	0.05-17.70	Two types of biochemistry analysers. i.e., semi-automatic and automatic, are commonly used. The former can perform 50-100 tests per hour, whereas the latter, 200-400 tests per hour. Biochemistry analysers perform routine (for glucose, cholesterol, etc) and specialised (for bilirubin, creatinine, calcium, magnesium, chloride, sodium and potassium) tests. Such tests help detect kidney, liver and bone diseases, thyroid disorders and tissue injuries.
Immunology instrument	0.06-17.70	Immunology instruments are normally used to diagnose hormonal disorders and infectious diseases, such as malaria, dengue, influenza, etc. Diagnostic centres choose the machine according to their patient load and volume of tests.
Haematology analyser	0.2-4.72	This determines blood cell count, such as red blood cells, white blood cells and haemoglobin, folic acid, serum content, uric acid, etc, as well as diseases in the liver and kidneys, and other ailments, such as leukaemia, tuberculosis, malnutrition, hypothyroidism, and cirrhosis.
Microscope	0.03-5.31	This helps analyse abnormalities that are too fine for the naked human eye. Hence, it is an important instrument for diagnosis as well as monitoring of diseases.
<b>Radiology segment</b>		
X-ray machine	0.2-11.20	It is a non-invasive instrument to diagnose multiple diseases or abnormal conditions, such as fractures, etc, as well as periodic monitoring.
Ultrasound machine	0.5-12.32	Ultrasound machines comprise a console with a computer, a video display screen and a transducer that scans body parts.
ECG machine	0.03-0.15	It measures abnormal rhythms of the heart, particularly those caused by damage to conductive tissues that carry electrical signals.
CT scan	14-60	Computed tomography (CT) scans are also termed computer axial tomography (CAT) scans and are used for diagnosing cancers of the liver, lung and pancreas.
MRI scan	40-180	Magnetic resonance imaging (MRI) scanners provide a good contrast between the different soft tissues of the body, and are useful in imaging the brain, muscles and heart.
PET-CT machine	70- 260	PET-CT scanners create dual images of the body, using both an X-ray CT image and a positron emission tomography image. Diagnosis relies on the use of FDG-18 or Fludeoxyglucose (18F) and helps pinpoint cancer in a patient.

Source: Industry, CRISIL MI&A

#### Intense competition due to large number of players

The diagnostics industry is highly fragmented, with standalone players comprising the major share of the market as there are minimal entry barriers. That said, national diagnostics chains and hospitals are growing through the inorganic route, such as mergers and acquisitions of smaller players. But the diagnostic chains face competition among themselves as well, in terms of patient sample volumes and aggressive pricing of tests, thereby impacting their profitability. However, despite growing competition and undercutting of prices to gain market share, consolidation in the sector would bode well from the quality and standardisation perspective.

#### Geographical concentration makes diagnostics chains susceptible to local demand- supply dynamics

Majorly all the labs are concentrated in urban areas, which leads to untapped demand in rural areas. Furthermore, many small diagnostic chains operating multiple labs and concentrated in a particular area or region are also susceptible to demand-supply dynamics of that area. Except for a few pan-India diagnostic chains, such as Agilus Diagnostics Limited, Dr Lal Pathlabs Ltd, and Metropolis Healthcare Ltd, all other diagnostic chains are restricted to specific geographies (regional or standalone centres).

### ***Key success factors for the diagnostics industry***

The success of a diagnostic centre depends on multiple factors. In the long term, a centre or chain is recognised for its brand name, gained through consistently providing high quality and accurate test results, along with strong doctor referral network, robust logistics network, and expanded customer reach.

#### Comprehensive test menu

A comprehensive test menu serves as a pivotal success factor within the diagnostics industry, as it allows thorough examination of a wide range of medical conditions under one roof, thereby offering additional convenience to patients as well as healthcare professionals, and improving the overall customer experience. Offering specialised test menus also builds trust among healthcare professionals and patients, as providing these tests requires substantial investment in equipment, adherence to stringent quality standards, as well as concerted research and development efforts.

#### Pan India Presence

Establishing a Pan-India presence is pivotal for the success of the diagnostics industry, as it directly improves accessibility to diagnostic services. Furthermore, pan India presence also provides diagnostic providers with larger patient pool and network of healthcare professionals, thereby accelerating their growth opportunities. Additionally, pan-India presence also helps in winning confidence and trust of patients as well as healthcare providers.

#### Strong legacy of trust with doctors

Trust of healthcare professionals like doctors is an important parameter for success in the diagnostics industry as healthcare professionals are major influencers for patients, especially in specialised test segment. Factors like prior experience in diagnostics industry, reliable test results, NABL accreditation, comprehensive test offerings, pan India presence and good customer experience are important in developing trust of healthcare providers as well as customers.

#### Robust logistics network

A robust logistic network facilitates efficient supply chain management, ensuring a steady flow of testing kits, reagents, and equipment to healthcare providers. Moreover, it allows for scalability and adaptability to accommodate changing demands and expanding operations. It also contributes to customer satisfaction by providing reliable and swift sample delivery and reduces turnaround time (TAT), thereby enhancing the overall diagnostic experience for healthcare providers and patients. Owing to the vast logistics network of reference labs, collection centres and pick-up points, national diagnostic chains are able to provide their customers lower TAT and standardised services, thereby elevating the overall experience.

#### Shorter TAT

Shorter TAT for test results is a crucial determinant of success in the diagnostics industry, especially in the routine tests segment. Patients as well as healthcare providers prefer diagnostic centres that can provide rapid results without compromising on accuracy as they help in timely diagnosis of abnormalities/diseases. For the same reason, many diagnostic players are setting up STAT labs (Short turnaround time lab) to reduce their turnaround time without compromising on the accuracy, thereby enhancing the holistic customer experience.

#### Omni-channel presence

Omni-channel presence provides more convenience and accessibility to customers by allowing them to choose their preferred channel to book appointments, receive test results, and access other services, irrespective of their location or time constraints. For the same reason, diagnostic providers are increasingly integrating online as well as offline channels, to facilitate convenient scheduling and seamless access to diagnostic services.

Diagnostic providers are also providing facility of home collection of samples as well as delivery of digital reports via online platforms like websites and mobile applications to enhance the overall accessibility and customer experience. This omni channel approach also fosters increased patient engagement through additional touchpoints, thereby providing competitive advantage to the diagnostic providers.

Additionally, due to the same reason, diagnostics chains with an established presence across various channels, including hospitals, online platforms, and retail outlets are better positioned to provide more convenience & flexibility to their customers.

#### Affordable price points

Price points are a significant determinant of success in the diagnostic industry, especially in routine test segment. Competitive price points not only help the diagnostic providers to gain more customers, but also make their services more affordable to larger demographics, thereby encouraging individuals to avail preventive and wellness tests. Furthermore, providing diagnostics tests at affordable prices also positively impact customer retention and helps in increasing the revenue.

Additionally, as competitive pricing, can be achieved through efficient cost management, strategic partnerships with suppliers, and economies of scale, diagnostics chains which operate at national level are better positioned to leverage these factors to provide better and consistent services to their customers.

#### Quality and accuracy of tests

The quality and accuracy of diagnostic tests are paramount in determining the success of the diagnostics industry as customers, including healthcare providers and patients, rely on the results of these tests for critical medical decisions and treatment plans. One key success factor is implementing rigorous quality control measures throughout the testing process. Furthermore, diagnostic companies must also invest in state-of-the-art equipment, employ highly trained personnel, and adhere to standardised protocols to minimise errors and variability.

#### NABL accreditation

The National Accreditation Board for Testing and Calibration Laboratories (NABL) accreditation is a key success factor for the diagnostics industry as it signifies adherence to proper standards and instils confidence among healthcare providers as well as patients regarding the reliability of the diagnostic services offered. Moreover, NABL accreditation helps in collaborations with healthcare institutions, research organisations, and corporate clients. As of January 2023, there were total 2,394 accredited labs in India.

#### Location of diagnostic centre

The location of the lab has several important implications for the efficiency, accessibility and competitiveness of diagnostic services. Proximity to healthcare providers and patients is crucial since having a lab in close proximity to hospitals, clinics, and healthcare facilities not only reduces transportation time and enables faster delivery of samples for testing, but also increases the potential customer base and market reach. It also allows for easier collaboration and partnerships with local healthcare facilities, enabling the company to establish strong relationships and secure contracts for diagnostic services.

Furthermore, the location of the lab impacts the logistics and supply chain management of diagnostic materials. A central location allows for streamlined transportation routes, reduces costs and minimises the risk of sample degradation or loss during transit. It also facilitates efficient procurement and distribution of testing supplies and equipment, ensuring smooth operations and timely delivery.

### ***Recent trends in the diagnostics industry***

#### Adoption of technology in the diagnostics industry (in testing and delivery)

Post Covid, customers are expecting more convenience in terms of home collection, digital ecosystem and shorter TAT. As a result, there is an increasing shift towards integrating cutting-edge technology in both testing and service delivery to enhance accuracy, decrease TAT and provide better customer experience.

#### Optimised disease detection through AI-assisted pathology and advanced robotics

Newer models are using disease detection algorithms and detection processes through AI and ML-assisted pathology. For example, to diagnose diabetes retinopathy, a serious eye condition which can cause blindness in people who are diabetic, a doctor needs to study the patients' retina. However, now there are several software



available which can help diagnose diabetes retinopathy through images which will improve TAT as well as decrease dependence on trained doctors.

Furthermore, the use of technologies such as telepathology, which use telecommunications technology to facilitate the transfer of image-rich pathology data between distant locations for diagnosis, education, and research.

Wearable biosensors, which can detect and analyse data to give information on the patients' heart rate, blood pressure, blood sugar, and hormone levels are also increasingly being used. Additionally, mobile health (mHealth) is gaining popularity. The term is typically associated with using mobile communication devices, such as mobile phones, tablet computers or personal digital assistant, for availing healthcare services and information. The mHealth field has emerged as a sub-segment of eHealth, which can be defined as the use of information and communication technology, such as computers, mobile phones, communications satellite and patient monitors, for health services and information.

#### Digital transformation in the industry

The industry is also transforming digitally on the operational front. For instance, pre-Covid, customers expected a physical copy of their reports, which not only led to increased TAT and costs but was also not a sustainable practice. In addition, it has also altered customer preferences, including expectations in relation to convenience, safety, home services, digital payments and quicker TAT. However, post Covid, most of the big diagnostic chains have digital platforms which not only provide online appointment scheduling but also access to digital test results, thereby elevating the overall patient experience. Also, intensifying competition has prompted industry players to adopt various techniques to differentiate themselves in terms of bandwidth, such as providing home pick-up and point-of-contact testing.

Furthermore, labs have started using platforms such as electronic health record (EHR) platforms to centralise and manage patient data efficiently since these systems facilitate seamless data exchange between different departments. This enables a smoother flow of information throughout the diagnostic process. Additionally, prominent diagnostic players are also leveraging technology and digital media to enable data-driven business decisions to enhance performance marketing, improve customer experience through operational agility and customer loyalty, open new revenue channels, and aid in hyper-local digital campaigns.

#### Sustainable practices

The healthcare sector, including the diagnostics segment, has considerable environmental footprint and high-water consumption. Hence, the diagnostics industry is actively embracing sustainable practices, and shifting towards more eco-friendly measures to reduce its ecological footprint. For example, efforts to minimise single-use plastic waste or replace glass with plastic are becoming increasingly popular in the diagnostics industry. Furthermore, many diagnostics centres have stopped giving physical copies of test results, which not only helps save paper, but also helps to control the carbon footprint in the supply chain.

Additionally, some laboratories are exploring renewable energy sources and adopting greener technologies to power their operations. By incorporating sustainable practices, the diagnostics industry is aligning itself with global efforts to combat climate change and protect the environment.

#### Advanced tests offerings

Technology adoption has accelerated the development of specialised tests. For example, genetic and genomic testing, facilitated by next-generation sequencing (NGS) technologies, has revolutionised genetic analysis, enabling the identification of specific genetic variations associated with various diseases. Additionally, liquid/fluid biopsies have also been made possible by advancements in technology. Liquid biopsies are increasingly being used for molecular profiling of tumours as well as for facilitating a precision medicine treatment approach.

#### Consolidation in the industry with larger players acquiring standalone entities

The diagnostics industry has been consolidating, with large diagnostic chains continuing to acquire standalone diagnostic centres as well as regional diagnostic chains. However, large corporations as well as pharma companies are foraying into the diagnostics industry owing to low entry barriers in this industry. For example, Adani Enterprises is foraying into this space through its subsidiary Adani Health Ventures. In 2022, pharma major Lupin and Torrent Pharma entered the diagnostics sector by forming Lupin Diagnostics and Torrent Diagnostics Pvt Ltd,

respectively. Emergence of these players will intensify the already existing competition in the industry, which is expected to put more price pressure on the diagnostics industry, especially in the routine and wellness tests segment.

Nonetheless, as of Fiscal 2023, standalone players contributed 42-46% of the total diagnostics industry and diagnostic chains contributed 16-20%. However, increasing penetration of national diagnostic chains among patients, coupled with an increasing penetration of specialized tests and diverse test menu offered by diagnostic chains, provides an opportunity for faster consolidation in the diagnostics industry.

### Recent M&A in Indian diagnostics industry

Sl. no	Acquirer company	Target company	Year	Stake	Investment (Rs million)	Operating revenue of target company prior to acquisition (Rs million)
1	MedGenome Inc.	Prognosis Laboratories	FY24	N.A.	N.A.	N.A.
2	Agilus Diagnostics Ltd	Lifeline Laboratory	FY24	N.A.	N.A.	N.A.
3	Redcliffe Labs	Medicentre Sonography & Clinical Lab	FY23	N.A.	N.A.	N.A.
4	Dr Lal PathLabs Ltd	Suburban Diagnostics (India) Private Limited	FY22	100.0%	9,250.0 <sup>1</sup>	2,940.5 <sup>2 10</sup>
5	Metropolis Healthcare Ltd	Hitech Diagnostic Centre <sup>3</sup>	FY22	100.0%	6,360.0	1,118.2 <sup>2 10</sup>
6	API Holdings	Thyrocare Technologies Ltd	FY22	71.2%	48,952.9 <sup>5</sup>	4,946.2 <sup>2 11 12</sup>
7	Tata Digital	1mg	FY22	58.4% <sup>6</sup>	11,695.4 <sup>7</sup>	3,093.69 <sup>2 11</sup>
8	Agilus Diagnostics Ltd. (erst while SRL Diagnostics)	DDRC SRL Diagnostics Pvt Ltd	FY22	50.0% <sup>8</sup>	3,500.0	3,017.4 <sup>2 10 12</sup>
9	Reliance Retail Ltd	Vitalic Health Pvt Ltd.	FY21	60.0% <sup>9</sup>	6,200.0	2,173.8 <sup>4 11</sup>

Notes: The list is not exhaustive, but indicative in nature

1: The deal included cash consideration of ₹9,250 million plus certain performance linked payments capped at ₹2,250 million and subject to certain adjustments.

2: Fiscal 2021 financials.

3: Also includes stake in subsidiary of Hitech Diagnostic Centre Pvt Ltd - Centralab Healthcare Services Pvt Ltd.

4: Fiscal 2020 financials.

5: Includes purchase consideration of ₹3,488 million representing approximately 5.1% under open offer.

6: On 20th September 2021, Tata Digital acquired an additional 1.90% stake in IMG for ₹449.2 million increasing its ownership interest from approximately 58.4% to approximately 60.3%. Further, On 1st December 2021, Tata Digital acquired an additional 2.7% stake in IMG for ₹2.9 million increasing its ownership interest from approximately 60.3% to approximately 63.0% as of 1st December 2021.

7: Includes deferred consideration of ₹4,487.5 million.

8: SRL proceeded to acquire the balance 50% stake in its existing joint venture, DDRC SRL Diagnostics Private Limited (DDRC SRLD).

9: Investment represents approximately 60% holding in the equity share capital of Vitalic and 100% direct equity ownership of its subsidiaries, viz: Tresara Health Private Limited, Netmeds Market Place Limited and Dadha Pharma Distribution Pvt Limited.

10: On standalone basis.

11: On consolidated basis.

12: For Thyrocare Technologies Ltd and Agilus Diagnostics Limited, mentioned values include Covid revenue. However, for other players mention for the same is not available in the company filings.

Source: Industry, CRISIL M&A

### Increasing role of diagnostics in preventive and targeted medicine research

Diagnostics has become the centre of patient care and may gain prominence as genomics-based diagnostics paves the way for targeted therapy and personalised medicine. Earlier, the diagnostics industry was mainly confined to

the diagnosis of diseases or conditions once symptoms developed. However, due to notable advances in technology, the diagnostics industry is playing a significant role in preventive as well as targeted medicine.

One of the most noteworthy changes is the rise of personalised medicine, enabled by cutting-edge technologies such as genomic sequencing. Genomic sequencing allows analyses of the genetic make-up of individuals and helps in the early prediction of diseases, which can help provide personalised treatment for patients. Moreover, individuals are increasingly undergoing next-generation tests before marriage to gain a deeper understanding of their genomic make-up and how it may impact the health of their future offspring. This growing emphasis on pre-emptively identifying and preventing genetic disorders in future children offers parents and their prospective offspring the possibility of a healthy and fulfilling life.

Additionally, strides are being made in biomarkers and liquid diagnostics, which are also contributing significantly to preventive wellness. Biomarkers have gained prominence in precision medicine, as they facilitate precise risk assessment and targeted therapies, ensuring that treatments are tailored to suit individual patient needs. Similarly, liquid biopsy is a significant advancement in diagnostic capabilities and a quicker and minimally invasive test for detecting cancer cells. It can also complement tissue biopsy by capturing intra-tumour and intra-patient heterogeneity.

Furthermore, continuous improvements are being made in point-of-care diagnostics and digital health technologies to provide more portable testing kits to enhance the accessibility and convenience of patients without compromising on the accuracy of results.

In conclusion, diagnostics has evolved into a critical pillar of preventive and targeted medicine research. As this field continues to evolve, diagnostics will play a prominent role in shaping preventive and targeted medicine, ultimately improving patients' lives.

#### Research and development (R&D) in diagnostics industry

The healthcare industry is expected to focus more on treating illness to promoting wellness, prioritizing diagnosis, and delivering care in the patient's home rather than in a healthcare facility, which will not only help in increasing the penetration of diagnostics services but will also facilitate research and development (R&D) activities. The Indian diagnostics industry has been witnessing significant R&D activities aimed at advancing healthcare diagnostics and improving patient outcomes through advancements in next generation diagnostics, including genome diagnostics, point-of-care testing, telemedicine, and remote diagnostics.

Companies and even countries are engaging in global as well as academic partnerships for R&D purposes. For example, India has several bilateral science and technology cooperation agreements with other countries to facilitate cooperation in biomedical research. For example, the Indo-US Memorandum of understanding (MoU) for Cooperation on Cancer Research Prevention Control and Management was signed in June 2015 between India and the US for establishment of the general framework of collaboration for promoting and conducting high-quality research to strengthen the evidence base necessary for cancer prevention, treatment and management.

Furthermore, focused efforts are also made for advancements in point-of-care testing through R&D as it allows for rapid and on-the-spot diagnosis, thereby increasing accessibility in remote areas, where diagnostic services are still under-penetrated. Currently, metro regions have a penetration of 1,500-2,000 tests per 1,000 population while non- metro regions have penetration of only 550-600 tests per 1,000 population, even though non-metro regions occupy an 85-90% share of the total tests. This signifies the under-penetration of diagnostic services in the non-metro regions of India and need for point-of-care testing.

Molecular diagnostics is another area that is seeing significant R&D activities. Molecular diagnostics serves to diagnose and monitor diseases, identify risks, and determine optimal therapeutic interventions through analyses of biological markers in the genome and proteome of an individual's genetic code, elucidating how their cells express genes as proteins. Furthermore, diagnostic companies are actively exploring the integration of AI and ML into diagnostic processes. These advanced technologies offer the capability to analyse extensive datasets, such as medical images and patient records, leading to improved diagnostic accuracy, enhanced operational efficiency, and optimised decision-making in treatment.

### Availability of diagnostics services increasing in remote areas

Even though more than 70% of the Indian population resides in rural India, only 24% revenue came from rural diagnostic services in Fiscal 2023, which signifies the under-penetration of diagnostics services in rural India. However, owing to the multiple government initiatives, particularly focused on rural healthcare like the National Rural Health Mission and Free Diagnostics Service initiatives, the accessibility of diagnostic services in rural India has been improving steadily. As of October 2022, the free diagnostics service initiatives were implemented in 33 states/union territories. Similarly, free teleradiology services have also been started in 13 states/ UTs in the PPP mode to increase accessibility of diagnostic services in rural India.

Furthermore, mobile medical units and teleconsultation services are being implemented to improve access to healthcare, particularly in rural areas. Additionally, establishment of health and wellness centres across the country under the Ayushman Bharat scheme to provide comprehensive primary healthcare, including preventive healthcare, is improving the accessibility of rural healthcare in India.

Overall, even though government efforts have improved the accessibility and quality of diagnostic services in rural India through various schemes, challenges persist in terms of lack of quality medical professionals, limited digital connectivity and limited awareness about healthcare services in rural India. Hence, continuous collaboration is needed among various stakeholders (union government, state government, healthcare providers and prominent diagnostics chains) to increase the coverage of diagnostic services in rural India.

### Increasing focus on B2C segment by diagnostic players

In the diagnostic services industry, the B2C segment (comprising direct customers/patients who are the prime decision makers) provides higher brand visibility with repeat customer relationships, while the B2B segment (comprising healthcare institutions such as hospital establishment, doctors and corporate bodies, where the management of healthcare institutions and corporate bodies are the prime decision makers, and not the patients/customers. It also includes diagnostics tests as a part of clinical trials.) provides access to hospital infrastructure, including an established doctor network and higher volumes of tests. However, in recent years, the focus of diagnostic chains on the B2C segment has been increasing, driven by changing consumer preferences, technological advancements, and a growing emphasis on preventive healthcare. Diagnostics chains are increasingly leveraging digital channels, especially post COVID-19, to enhance their B2C presence by offering customers more convenience through online test bookings, consultations and digital test results.

Prominent players in diagnostics are also acquiring relatively smaller players with good regional presence to increase their overall market share as well as their B2C footprint. For example, Metropolis Healthcare acquired Hitech Diagnostic Centre, to strengthen its B2C presence in southern India. Agilus Diagnostics Limited also acquired the DDRC-SRL joint venture to improve its B2C presence.

Diagnostic chains are also expanding their geographical footprint by adding more labs, test centres, customer touchpoints and patient service centres to increase accessibility of diagnostic services for potential customers.

Overall, prominent diagnostic chains are increasingly employing strategic initiatives to expand their B2C presence through wider geographical footprint and acquisitions. Furthermore, rising awareness of preventive healthcare, prioritisation of timely diagnosis and the increasing popularity of at-home/ point-of-care diagnostic tests are expected to further drive demand for diagnostic services from the B2C segment, further solidifying the diagnostics industry's focus on the B2C market. Moreover, there is a growing preference for evidence-based treatment and personalised medicine, which will expand the role of diagnostics in clinical decision-making.

### Out-of-pocket expenses on diagnostics services in India a significant concern

According to the 71st round of the National Sample Survey Office data, 10% of the total out-of-pocket expenses (OOPE) on healthcare are attributed to diagnostics. Specifically, within the outpatient department, 11% of the expenses are incurred on diagnostics, while in the inpatient department, 9.6% of the expenses are dedicated to diagnostic services. This contributes to a high percentage of OOPE and reflects the existing challenges in the Indian healthcare system, where individuals, especially from lower income levels, have to bear a significant financial burden for diagnostic tests and related services.

The Indian government has undertaken various initiatives such as the National Diagnostics Service Initiative under the National Health Mission, through which it aims to improve the accessibility and affordability of diagnostic

services in India, especially in rural areas, thereby reducing the financial burden on patients and enhancing the reach of diagnostic services.

However, there is still a need for continued focus on reducing OOPE on diagnostics, especially for the population in rural India, where accessibility and affordability of diagnostic services remain a prominent challenge.

#### Pricing of diagnostic services in tier 2 and 3 cities

Owing to government initiatives as well as increasing awareness of diagnostic services, especially in the preventive healthcare segment, accessibility of diagnostic services has increased in tier 2 and 3 cities. According to a report by the Healthcare Federation of India, more than 50% of the districts identified by NITI Aayog as aspirational districts and lacking most in terms of basic infrastructure, are being served by at least one national diagnostic player.

Additionally, the diagnostics industry is heavily characterised by the use of cross subsidisation, which refers to a pricing strategy where the cost of providing diagnostic tests to a particular group, such as government employees, at discounted prices is offset by charging higher prices to other groups (e.g., civilians). To cite an example, the prices of diagnostic services under the Central Government Healthcare Subsidisation scheme are heavily discounted compared with the average prices charged by national diagnostic players.

Moreover, the average price of pathology tests in tier 2 and 3 cities is usually 14-35% lower than in tier 1 cities depending on the diagnostic services provider (national or local standalone player).

#### **Pricing of diagnostic services in tier 2 and 3 cities**

	<b>National players</b>	<b>Standalone players</b>
Tier 1	100 (base)	92
Tier 2 and 3	86	65

*Notes: The above values are not actual representation of prices in the respective tier cities, but a scaled version with base as tier 1 national players = 100*

*Only common clinical tests such as HbA1c, thyroid profile, lipid profile, and glucose (fasting and postprandial) have been considered.*

*Source: Industry, CRISIL MI&A*

#### Competition landscape analysis

The diagnostics industry in India can be categorised as standalone centres, hospital labs and diagnostics chains. CRISIL MI&A has considered the following companies that are part of diagnostics chains, as competitors of Agilus Diagnostics Limited. These companies either operate in the same line of business or have the same product portfolio as that of Agilus Diagnostics and data for the same is available in public domain. The peer set considered is an indicative and not exhaustive list of players present in the diagnostics industry.

*Note:* Data in this section was obtained from publicly available sources, including annual reports of players, regulatory filings, and/or company websites. Financials in the competitive section have been reclassified by CRISIL, based on annual reports and financial fillings of players. All the financial ratios which are “adjusted” are as per formulae mentioned and are not according to CRISIL reclassification and calculation standard.

The following nomenclature has been used in the upcoming sections:

- Agilus Diagnostics Limited (erstwhile SRL Ltd): Agilus Diagnostics
- Dr Lal PathLabs Ltd: Dr Lal PathLabs
- Krsnaa Diagnostics Ltd: Krsnaa Diagnostics
- Metropolis Healthcare Ltd: Metropolis Healthcare
- Thyrocare Technologies Ltd: Thyrocare
- Vijaya Diagnostic Centre Ltd: Vijaya Diagnostics

### Overview of players considered

Parameters (FY23)	Year of incorporation	Geographic presence	Major presence
Agilus Diagnostics	1995	pan-India, international	Pathology
Dr Lal PathLabs	1995	pan-India, international	Pathology
Krsnaa Diagnostics	2010	pan-India	Radiology
Metropolis Healthcare	2000	pan-India, international	Pathology
Thyrocare	2001	pan-India	Pathology
Vijaya Diagnostic	2002	south India-focused	Pathology

Source: MCA, Company documents, CRISIL MI&A

Among the players considered above, Krsnaa Diagnostics has key focus on PPP model. The company in its annual report, reported revenue from operations of ₹4,871.23 million in Fiscal 2023. Krsnaa diagnostics derives 60% of the revenue from operations (₹4,554.5 million) from PPP/B2B model as of Fiscal 2022.

CRISIL has not considered Krsnaa diagnostics in the competitive landscape for further analysis on account of larger focus on PPP/B2B segment and CRISIL has only considered diagnostics players who have higher presence in the B2C and private sector.

### Operational overview

#### Scale of operations of players considered

Parameters (FY23)	Agilus Diagnostics	Dr Lal PathLabs	Metropolis Healthcare	Thyrocare	Vijaya Diagnostic
Total number of labs <sup>1</sup>	413	277 <sup>2</sup>	175 <sup>3</sup>	31	17 <sup>4</sup>
NABL-accredited labs	43	36	12	20	12
Collection centres / customer touch points <sup>1</sup>	3,757 <sup>5</sup>	5,102 <sup>6</sup>	3,675 <sup>6</sup>	NA	121 <sup>7</sup>
Pick-up points <sup>1</sup>	12,000 <sup>+8</sup>	10,938.00 <sup>9</sup>	12,000 <sup>+10</sup>	35,000 <sup>+11</sup>	NA
Customer touch points / collection centres per lab <sup>12</sup>	9	18	21	NA	7

Notes: NA - not available

1: No of labs is not strictly comparable across players as definition for the same is not provided across players. Similarly, collection centres / customer touch points and pick-up points are not comparable as each player has different definition.

2: Dr Lal PathLabs includes labs of Suburban Diagnostics (India) Pvt Ltd.

3: Labs for Metropolis Healthcare includes labs of Hitech Diagnostics Centre Pvt Ltd as well.

4: For Vijaya Diagnostic, national reference labs and reference labs are added to arrive at total labs.

5: For Agilus Diagnostics, customer touch points include collection centres, which are centres operated by franchisees, and patient service centres, which are centres operated by the company.

6: Indicates patient service centres.

7: Flagship centre, and hub and spoke centres are added to form value mentioned above.

8: Indicate direct clients.

9: Includes 40 labs, 207 patient service centres and 1008 pick-up points of Suburban Diagnostics.

10: Indicate patient touch points.

11: Indicate touch points.

12: Indicates number of customer touch points / collection centres serving one lab.

Source: Company documents, website and con-call transcripts, CRISIL MI&A

### Offerings and realisations of players considered

Parameters (FY23)	Agilus Diagnostics	Dr Lal PathLabs	Metropolis Healthcare	Thyrocare	Vijaya Diagnostic
Test menu	3,600+	5,191	4,000+	700+	2,700
No of tests conducted in a year (in million)*	39	72 <sup>2</sup>	25	141	10
No of patients served (In million)*	17	27	12	15	3
Tests per patient <sup>1</sup> *	2	3	2	9	3
Average revenue per test (in Rs)*	345	279 <sup>1</sup>	453	37 <sup>1</sup>	457
Average revenue per patient (in Rs)*	811	750 <sup>1</sup>	944	342 <sup>1</sup>	1,446

Notes: NA - not available

\*Values mentioned in the above table are rounded off to nearest zero decimal value for consistency as not all companies report the above values in single or double decimal. CRISIL has used numbers reported by the respective companies.

1. Number is derived / calculated by CRISIL MI&A as mentioned below

Test per patient = No of tests conducted in a year / No of patients served

Average revenue per test = operating income / no of tests conducted in a year

Average revenue per patient = operating income/ no of patients served

2. Value indicates samples

Source: Company documents, website and con-call transcripts, CRISIL MI&A

### Segmental revenue contribution of players considered

#### Pathology and radiology

FY23	Radiology*	Pathology	Major presence
Agilus Diagnostics	✓	✓	Pathology (96% of revenue as of FY23)
Dr Lal PathLabs	✗	✓	Pathology (100% of revenue as of FY23)
Metropolis Healthcare	✗	✓	Pathology (100% of revenue as of FY23)
Thyrocare	✓	✓	Pathology (92% of revenue as of FY23)
Vijaya Diagnostic	✓	✓	Pathology (65% of revenue as of FY23)

Notes: NA - not available

Values mentioned in the above table are rounded off to nearest zero decimal value for consistency as not all companies report the above values in single or double decimal. CRISIL has used numbers reported by the respective companies.

\*Radiology includes high end tests such as Computerized tomography (CT) scan and Magnetic resonance imaging (MRI)

Source: Company documents, website and concall transcripts, CRISIL MI&A

### Break-up by customer segment and types of tests offered

FY23	B2B vs B2C <sup>1</sup>		Specialised, routine and wellness tests <sup>2</sup>		
Agilus Diagnostics	46%	54%	38%	53%	9%
Dr Lal PathLabs <sup>3</sup>	28%	72%	50%	32%	18%
Metropolis Healthcare <sup>4</sup>	41%	59%	39%	48%	12%
Thyrocare <sup>5</sup>	94%		60%	40%	
Vijaya Diagnostic	5%	95%	88%		12%

Notes: NA - not available

Values mentioned in the above table are rounded off to nearest zero decimal value for consistency as not all companies report the above values in single or double decimal. CRISIL has used numbers reported by the respective companies.

1: B2C segment comprises of direct customers/patients who are the prime decision makers and B2B segment comprises of hospital establishment, doctors and corporate bodies, where the management of healthcare institutions and corporate bodies are the prime decision makers, and not the patients/ customers. It also includes diagnostics tests as a part of clinical trials. However, it is to be noted that this definition might vary from player to player and no such disclosure has been made by the players when disclosing the numbers considered above.

2: Routine and wellness tests are basically screening tests, comprising basic immunology, haematology, and biochemistry tests, with a turnaround time of generally less than 6 hours. Specialised tests help in deep diagnosis and analysis of diseases. Some of tests include

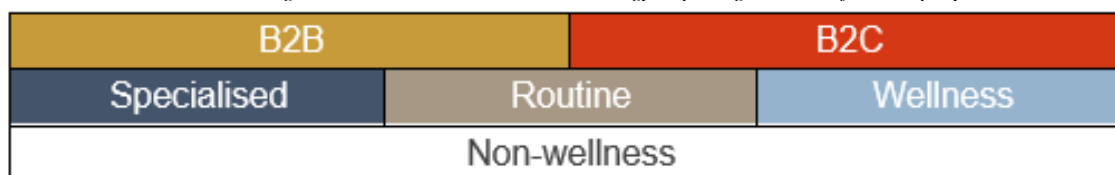
oncology (cancer markers), genomic testing, and hepatitis testing. However, it is to be noted that this definition might vary from player to player and no such disclosure has been made by the players when disclosing the numbers considered above.

3: For Dr Lal PathLabs, specialised segment includes specialised tests and less-frequently ordered tests. Wellness test value is considered based on swasthfit package revenue for the company.

4: For Metropolis Healthcare, routine tests share includes routine and semi-specialised segment share of the company.

5: For Thyrocare:

- B2B include revenue from franchise which includes mom and pop stores, local labs and nursing homes and hospitals  
- wellness segment share is calculated based on Aarogyam package revenue of the company



Source: Company documents, website and con-call transcripts, CRISIL MI&A

### Regional presence of players considered

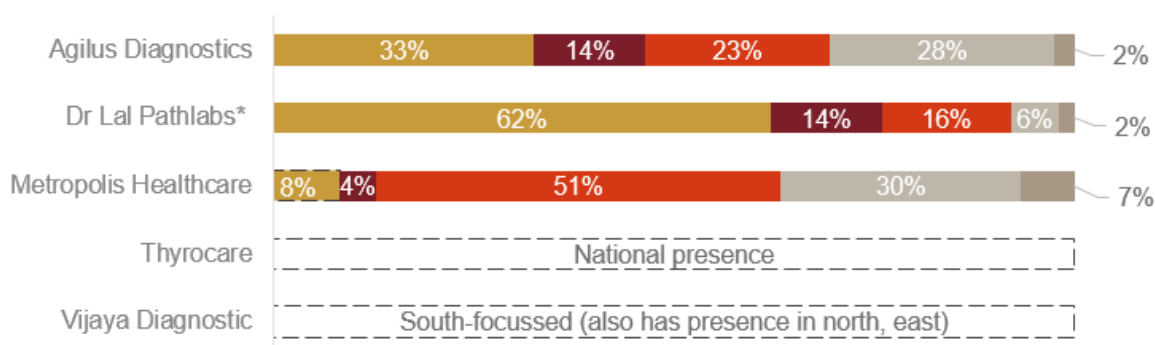
#### Presence across states and districts

Parameters (FY23)	Agilus Diagnostics	Dr Lal PathLabs	Metropolis Healthcare	Thyrocare	Vijaya Diagnostic
Presence across Indian states and union territories	30	32	23	32	4
Presence across Indian districts	532	NA	NA	570+	NA

Source: Company documents, website and concall transcripts, CRISIL MI&A

#### Regional presence

(as of FY23)



Notes: Values mentioned in the above table are rounded off to nearest zero decimal value for consistency as not all companies report the above values in single or double decimal. CRISIL has used numbers reported by the respective companies.

\*For Dr Lal Pathlabs international includes central and international revenue

1: For Metropolis Healthcare, share is based on quarterly filings by the company

2: The regional presence is based on retail presence of the company

Source: Company documents, website and concall transcripts, CRISIL MI&A

### Financial overview

#### Operating income (as per CRISIL reclassification and calculation standards)

Operating income (Rs million)	FY21	FY22	FY23	CAGR (FY21- FY23)
Agilus Diagnostics	10,370.13	16,051.86	13,480.66	14.02%
Dr Lal PathLabs	15,818.08	20,879.03	20,169.00	12.92%
Metropolis Healthcare	9,979.87	12,283.21	11,527.33	7.47%
Thyrocare	4,967.40	5,906.60	5,270.60	3.01%
Vijaya Diagnostic	3,767.46	4,623.70	4,592.29	10.41%



Notes: Operating income for Agilus Diagnostics includes liabilities/provisions no longer required written back as disclosed in the annual report by the company

Operating income includes other miscellaneous income

All values above are considered on a consolidated basis

All the values are restated as per CRISIL standards

Source: Annual reports, CRISIL MI&A

### Operating profit before depreciation, interest, and tax (OPBDIT) (as per CRISIL reclassification and calculation standards)

OPBDIT (Rs million)	FY21	FY22	FY23	CAGR (FY21- FY23)
Agilus Diagnostics	1,769.53	4,136.39	2,413.29	16.78%
Dr Lal PathLabs	4,369.93	5,618.20	4,899.00	5.88%
Metropolis Healthcare	2,897.96	3,482.97	2,971.27	1.26%
Thyrocare	1,734.10	2,366.90	1,204.40	-16.66%
Vijaya Diagnostic	1,659.75	2,036.90	1,820.34	4.73%

Notes: All the values are restated as per CRISIL standards

All the values above are considered on a consolidated basis

OPBDIT = operating income – cost of sales

Source: Annual reports, CRISIL MI&A

### Earnings before interest, tax, depreciation, and amortisation (EBITDA) (as per CRISIL reclassification and calculation standards)

EBITDA (Rs million)	FY21	FY22	FY23	CAGR (FY21- FY23)
Agilus Diagnostics	2,442.04	7,323.95*	2,626.25	3.70%
Dr Lal PathLabs	4,823.54	6,086.19	5,310.88	4.93%
Metropolis Healthcare	3,018.29	3,612.00	3,035.21	0.28%
Thyrocare	1,836.50	2,639.60	1,284.70	-16.36%
Vijaya Diagnostic	1,778.21	2,165.21	1,952.78	4.79%

Notes: \* value includes exceptional item of ₹3,061.43 million related to gain on remeasurement of previously held equity interest. Excluding the exceptional item of ₹3,061.43 million EBITDA stands at ₹4,262.52 million

All the values are restated as per CRISIL standards

All the values above are considered on a consolidated basis

EBITDA = OPBDIT + non-operating income

Source: Annual reports, CRISIL MI&A

### Profit after tax (PAT)

PAT (Rs million)	FY21	FY22	FY23	CAGR (FY21- FY23)
Agilus Diagnostics <sup>2</sup>	1,312.45	5,547.08 (2,485.67)*	1,166.36	-5.73%
Dr Lal PathLabs	2,964.79	3,502.91	2,410.77	-9.83%
Metropolis Healthcare	1,833.49	2,146.86	1,433.94	-11.56%
Thyrocare	1,131.50	1,761.40	643.60	-24.58%
Vijaya Diagnostic	851.27	1,106.68	852.07	0.05%

Note 1: All values above are considered on a consolidated basis

2: For Agilus Diagnostics PAT for Fiscal 2022 is higher than OPBDIT due to exceptional items during the year arising from the acquisition of 50% stake in DDRC SRL Diagnostics Pvt Ltd from the joint venture partner of Agilus Diagnostics (erstwhile SRL Ltd)

\*Number in the bracket represents PAT for the company excluding the impact from exceptional items during the year

All the values are restated as per CRISIL standards

Source: Annual reports, CRISIL MI&A

### Working capital cycle (Fiscal 2023)

	Inventory days*	Debtor days*	Payable days*	Working capital cycle*	Adjusted inventory days	Adjusted payable days	Adjusted working capital cycle
	Days	Days	Days	Days	Days	Days	Days
Agilus Diagnostics	20.11	39.22	161.11	(101.79)	70.43	63.59	46.06
Dr. Lal PathLabs	8.08	12.81	127.41	(106.52)	27.59	65.60	(25.20)
Metropolis Healthcare	19.02	38.75	135.59	(77.82)	64.26	56.56	44.83
Thyrocare	24.84	58.99	56.69	27.14	61.87	30.79	90.07
Vijaya Diagnostic	2.70	7.54	171.80	(161.56)	12.70	50.91	(30.66)

\*Values are restated as per CRISIL reclassification standards

Adjusted inventory days and adjusted payable days are not restated and are calculated as per formulae mentioned below:

Inventory days = (Total Inventory / cost of sales)\*365

Debtor days = (Total receivables / net sales) \* 365

Payable days = (Creditor for goods / material costs) \* 365

Working capital cycle = Inventory days + debtor days - payable days

Adjusted inventory days = (Total Inventory / (material costs + traded goods))\*365

For adjusted inventory days the calculation doesn't include "cost of tests outsourced" for Agilus Diagnostics and "laboratory testing charges" for Metropolis Healthcare, a similar line item has not been reported by other players considered above in their annual report for Fiscal 2023

Adjusted payable days = (Creditor for goods / (material costs + traded goods + other expenses) \* 365

Adjusted working capital cycle = Adjusted inventory days + debtor days - Adjusted payable days

Note: All values above are considered on a consolidated basis

Source: Annual reports, CRISIL MI&A

### Key financial ratios (Fiscal 2023) (as per CRISIL reclassification and calculation standards)

FY23	OPBDIT margin	EBITDA margin	PAT margin	Gearing	Net debt / tangible network	Quick ratio	Interest coverage	NCA/ debt	NAV (Net Asset Value)
	%	%	%	Times	Times	Times	Times	Times	Times
Agilus Diagnostics	17.90	19.48	8.65	0.00	0.00	1.73	17.00	72.68	87.25
Dr Lal PathLabs	24.29	26.33	11.95	0.30	0.00	1.68	14.18	1.65	95.14
Metropolis Healthcare	25.78	26.33	12.44	0.49	0.00	0.86	11.32	2.94	31.47
Thyrocare	22.85	24.37	12.21	0.00	0.00	1.67	55.17	NM	82.02
Vijaya Diagnostic	39.64	42.52	18.55	0.00	0.00	2.04	9.37	NM	52.75

Note: All values above are considered on a consolidated basis and are restated as per CRISIL standards

^NM - not meaningful, as debt in Fiscal 2023 was zero

Formulae for the ratios considered above:

Operating margin = OPBDIT/ operating income

EBITDA margin = EBITDA / operating income

PAT margin = PAT/ operating income

Gearing = Total debt/Tangible network

Net Debt / tangible network = (Total debt - cash, cash equivalents and market securities) / tangible network. The values are zero as the net debt is negative for the companies mentioned

Tangible network = Total paid-up equity share capital + reserves - intangible assets

Quick ratio = (Current Assets-Total Inventory-Receivables(more than 6 months)) / Current Liabilities

Interest coverage = Profit before depreciation, interest and tax (PBDIT)/Interest and finance charges

NCA/Debt = Net cash accruals/Total debt

NAV = (Tangible Network \* Face value per share) / (Total paid up equity share capital)

Source: Annual reports, CRISIL MI&A

### Return ratios (Fiscal 2023)

FY23	RoA*	ROCE^	Adjusted ROCE (including goodwill) @	Return on equity^
	Times	%	%	%
Agilus Diagnostics	2.19	20.17	10.15	6.12
Dr Lal PathLabs	2.72	31.37	21.62	14.90
Metropolis Healthcare	2.65	42.37	22.31	15.26
Thyrocare	1.56	19.84	16.28	12.12
Vijaya Diagnostic	0.80	17.11	16.99	16.77

Notes: \* Values are restated as per CRISIL reclassification standards

^ The values are calculated as per Schedule III of companies act, 2013

@ value is calculated as per the formulae mentioned below

All values above are considered on a consolidated basis

ROA = Operating income/2-year average of gross block

ROCE = EBIT / (Tangible network + total debt + deferred tax liability)

Adjusted ROCE = EBIT / (Tangible networth + total debt + deferred tax liability + goodwill). ROCE as per CRISIL standard is calculated excluding goodwill

Return on equity = (PAT – Preference dividend) / Average shareholders equity

Source: Annual reports, CRISIL MI&A

### Other key profitability ratios (Fiscal 2023) (as per CRISIL reclassification and calculation standards)

Parameters	Cashflow from operations / OPBDIT		Free operating cashflow / OPBDIT	
	FY23	3-year average (FY21-FY23)	FY23	3-year average (FY21-FY23)
	Times	Times	Times	Times
Agilus Diagnostics	0.80	0.64	(0.12)	(0.46)
Dr Lal PathLabs	0.76	0.66	0.57	(0.08)
Metropolis Healthcare	0.85	0.72	0.27	0.10
Thyrocare	0.91	0.47	0.51	0.18
Vijaya Diagnostic	0.76	0.75	0.50	0.09

Note: All values above are considered on a consolidated basis and are restated as per CRISIL standards

Cashflow from operations = Cashflow from operations for debt servicing – interest and finance costs – principal payments

OPBDIT = operating income - cost of sales

Free operating cashflow = cashflow from operations – investments in fixed assets

Source: Annual reports, CRISIL MI&A

### Other key parameters

#### B2C revenue

	FY21	FY22	FY23	FY21-23 CAGR (%)
Agilus Diagnostics#	5,025	8,759	7,318	21%
Dr Lal PathLabs@	NA	15,450	14,522	NM
Metropolis Healthcare#	4,290	5,460	6,770	26%
Thyrocare	NA	831*	316^	NM
Vijaya Diagnostic@	3,466	4,346	4,353	12%

Note: All values above are considered on a consolidated basis

NA - Not available; NM – Not meaningful

Values mentioned in the above table are rounded off to nearest zero decimal value for consistency as not all companies report the above values in single or double decimal. CRISIL has used numbers reported by the respective companies

B2C segment comprises of direct customers/patients who are the prime decision makers. However, it is to be noted that this definition might vary from player to player and no such disclosure has been made by the players when disclosing the numbers considered above

# Values as disclosed by the company for the respective fiscal years

@ Values are calculated upon operating income based on the B2C share disclosed by the respective companies for the fiscal year

For Thyrocare:

\*The number indicates revenue from non-covid business of the company and doesn't include revenue generated sale of consumables and digital rapid technologies during the period

^ the numbers for B2C are calculated based on share from direct-to-consumer business for the company during the year. While the B2B segment of the company consists of partnerships, B2G and franchise model. The franchise model includes mom and pop collection centres, local labs and nursing homes and hospitals

Source: Annual reports, con-call transcripts, CRISIL MI&A

#### Operating income per test

	FY21	FY22	FY23
Agilus Diagnostics*	440	363	345
Dr Lal PathLabs^	318	316	279
Metropolis Healthcare*	524	479	453
Thyrocare^	50	54	37
Vijaya Diagnostic*	531	496	457

Note: Values mentioned in the above table are rounded off to nearest zero decimal value for consistency as not all companies report the above values in single or double decimal. CRISIL has used numbers reported by the respective companies

\* Realisation per test as reported by the company for the respective years has been considered

^values are calculated using (operating income / no of tests)

operating income for all the players considered above is on a consolidated basis

Source: Annual reports, con-call transcripts, CRISIL MI&A

### Operating income per accession

	FY21	FY22	FY23
Agilus Diagnostics*	938	750	811
Dr Lal PathLabs^	781*	765*	750
Metropolis Healthcare*	1,016	914	944
Thyrocare^	385	362	342
Vijaya Diagnostic*	1,431	1,276	1,446

Note: operating income per accession is defined as revenue generated by the company per patient  
Values mentioned in the above table are rounded off to nearest zero decimal value for consistency as not all companies report the above values in single or double decimal. CRISIL has used numbers reported by the respective companies

\* Realisation per patient as reported by the company for the respective years has been considered

^ Values are calculated using (operating income / no of patients)

operating income for all the players considered above is on a consolidated basis

Source: Annual reports, con-call transcripts, CRISIL MI&A

### OPBDIT per test

	FY21	FY22	FY23
Agilus Diagnostics	75.20	93.63	61.77
Dr Lal PathLabs	87.93	85.12	67.76
Metropolis Healthcare	152.52	133.96	117.44
Thyrocare	17.35	21.46	8.52
Vijaya Diagnostic	234.10	219.02	180.23

Note: OPBDIT = operating income - cost of sales

operating income for all the players considered above is on a consolidated basis

Source: Annual reports, con-call transcripts, CRISIL MI&A

### OPBDIT per patient

	FY21	FY22	FY23
Agilus Diagnostics	160.43	193.29	145.20
Dr Lal PathLabs	215.27	205.79	182.12
Metropolis Healthcare	295.71	259.92	243.55
Thyrocare	134.32	145.03	78.21
Vijaya Diagnostic	631.08	562.68	572.43

Note: OPBDIT = operating income - cost of sales

operating income for all the players considered above is on a consolidated basis

Source: Annual reports, con-call transcripts, CRISIL MI&A

#### Key observations:

- As of Fiscal 2023, Agilus Diagnostics Limited, with a total network of 413 labs, is the largest diagnostics company in India in terms of number of labs.
- Agilus Diagnostics Limited acquired 100% equity shareholding in DDRC SRL Diagnostics Private Ltd in Fiscal 2022, pursuant to which in Fiscal 2023 it became one of the largest among the key pathology diagnostics company in south India in terms of revenue.
- Agilus Diagnostics Limited acquired the diagnostics services business of Piramal Healthcare Limited in 2011, which is the largest acquisition before Fiscal 2020, in the Indian diagnostics industry.
- Agilus Diagnostics Limited was first diagnostic player in India to receive accreditation for its labs from the National Accreditation Board for Testing and Calibration Laboratories (NABL) in 1999, among the national diagnostic players.

- As of Fiscal 2023, Agilus Diagnostics Limited had 43 NABL-accredited labs, the largest network of NABL accredited labs in India.
- Agilus Diagnostics Limited was first Indian national diagnostic chain to receive accreditation (in 2002) from the College of American Pathologists (CAP) for its laboratory in Mumbai.
- Agilus Diagnostics Limited's clinical reference laboratory in Mumbai was the first in India to have received accreditations from NABL and CAP in 1999 and 2002, respectively among the national diagnostics companies mentioned above.
- Moreover, Agilus Diagnostics Limited was the first laboratory chain in India to integrate its laboratory management system with Ayushman Bharat Digital Mission under the National Health Authority in 2021.
- As of Fiscal 2023, in terms of operating income, Agilus Diagnostics Limited (₹13,480 million) was the second highest among diagnostic company in India.
- In terms of operating income, Fortis Healthcare Ltd (operating income: approximately ₹62,976 million) was one of the leading players in Indian healthcare delivery market as of Fiscal 2023.

## OUR BUSINESS

*Some of the information in the following section, including information with respect to our 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 “Risk Factors” on page 36 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 fiscal year ends on March 31 of each year, and references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Restated Consolidated Financial Information for Fiscals 2021, 2022 and 2023 included in this Draft Red Herring Prospectus. For further information, see “Restated Consolidated Financial Information” on page 241.*

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled “Assessment of the diagnostics industry in India” dated September 2023 (the “**CRISIL Report**”) prepared and released by CRISIL MI&A, a division of CRISIL Limited, exclusively commissioned by our Company and paid for by our Company on behalf of the Selling Shareholders in connection with the Offer, pursuant to an engagement letter dated June 16, 2023. A copy of the CRISIL Report is available on the website of our Company at <https://agilusdiagnostics.com/investors/draft-red-herring-prospectus-and-related-documents>. 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. 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 - Internal Risks - Certain sections of this Draft Red Herring Prospectus disclose information from the CRISIL Report which has been prepared exclusively for the Offer commissioned by our Company and paid for by our Company on behalf of the Selling Shareholders exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.” on page 61. We have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from our Restated Consolidated Financial Information. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions.*

*Unless otherwise indicated or the context otherwise requires, in this section, references to “the Company” or “our Company” are to Agilus Diagnostics Limited on a standalone basis, and references to “the Group”, “we”, “us”, “our”, are to Agilus Diagnostics Limited and its Subsidiaries and Joint Venture, on a consolidated basis.*

### Overview

We are the largest diagnostics service provider in terms of number of laboratories and the second largest in terms of revenue from operations in India as of and for the financial year ended March 31, 2023 (*Source: CRISIL Report*). We offer diagnostics testing services (routine and specialized tests), wellness and preventive care packages, hospital laboratory management services and clinical research trial testing services. As of March 31, 2023, we had a network of 413 laboratories out of which 43 laboratories were accredited by National Accreditation Board for Testing and Calibration Laboratories (“**NABL**”), which according to the CRISIL Report, is the largest network of NABL accredited laboratories in India, as of March 31, 2023. We also have an international presence across the Middle East, Sub-Saharan Africa, Commonwealth of Independent States and the South Asian Association for Regional Cooperation (“**SAARC**”) region. In Fiscal 2023, we performed 39.07 million tests and served 16.62 million patients in India and internationally.

According to the CRISIL Report, the Indian diagnostics services industry has experienced robust growth and is expected to grow at a CAGR of approximately 8-10% between Fiscals 2023 and 2028 to reach ₹1,150-₹1,250 billion in Fiscal 2028. The increasing focus on preventative medicine, increasing incidence of chronic and lifestyle diseases, preference for evidence-based treatment, changing nature of diseases, expansion of organized healthcare and increased use of technology in healthcare are set to drive the growth of the Indian diagnostics services industry (*Source: CRISIL Report*) and create a significant market opportunity for us. Further, the COVID-19 pandemic has altered customer preferences, including expectations in relation to convenience, safety, home services, digital payments and quicker turn-around time (“**TAT**”). Moreover, while standalone players contributed to 42-46% of the total diagnostics industry in Fiscal 2023, the Indian diagnostics industry has witnessed a shift from standalone centres to diagnostic chains, due to the increasing trend of patients’ reliance on diagnostic chains for their quality

of service and unavailability of complex tests with standalone centres (not only at the country level but also in regional markets). Diagnostic chains possess better national and international accreditations and scalable business models and cater to a larger set of population through their brand reputation and operational efficiency. These factors have led to an increase in the share of diagnostic chains to 16-20% of the overall diagnostics industry in Fiscal 2023 from 13-17% in Fiscal 2020. (Source: CRISIL Report)

We have built an extensive diagnostics network spread across 25 states and five union territories in India (covering over 1,000 towns and cities and over 532 districts in India), as of March 31, 2023, which operates on a ‘hub-and-spoke’ model. As of March 31, 2023, our diagnostics laboratory network comprised one central global reference laboratory (“GRL”) at Mumbai in Maharashtra, five regional reference laboratories (“RRLs”) and 407 other clinical laboratories (including 403 pathology laboratories and four radiology centers). In addition, we have 25 wellness centers, three Centers of Excellence (“CoEs”), 3,757 customer touch points (“CTPs”) (i.e., comprising patient service centers, collection centers and laboratories with walk-in facilities) and over 12,000 pick-up points (i.e., locations from where we collect test samples to cater to institutional customers). Our wellness centers are dedicated towards providing holistic and comprehensive preventive healthcare and wellness services to our customers, while our CoEs are focused on histopathology, transplantation immunology and molecular pathology. We also operate and manage 91 in-hospital laboratories, as of March 31, 2023, for private healthcare providers as well as public health agencies under public-private partnerships (“PPP”). Moreover, our international network comprises a laboratory in Dubai, two laboratories and 17 collection centers in Nepal and over 800 pick-up points spread across the Middle East, Sub-Saharan Africa, Commonwealth of Independent States and the SAARC region, as of March 31, 2023. In addition, our network is supported by our integrated systems, which help to deliver faster TAT, reduce human error, improve overall capital efficiency, enable last-mile connectivity and provide access to a large customer base. Accordingly, we have been able to organically scale in a cost-effective manner with deeper penetration to under-served areas. In Fiscal 2023, our revenue from operations from the north, south, east and west regions of India amounted to ₹4,387.05 million, ₹3,788.05 million, ₹1,863.03 million and ₹3,105.72 million, respectively, accounting for 32.56%, 28.11%, 13.83% and 23.05%, respectively, of our revenue from operations.

We offer a comprehensive range of over 3,600 routine and specialized diagnostics tests as well as wellness packages that cover an extensive range of specialties. According to the CRISIL Report, next-generation diagnostics are gaining popularity in the specialized testing space in India as these advanced technologies enable comprehensive and high-throughput analysis of genetic material, proteins, and other biomarkers, revolutionizing disease diagnosis, treatment selection, and patient care. Within the next-generation diagnostics, genomic sequencing is particularly gaining popularity (Source: CRISIL Report). We continue to be committed to research and development (“R&D”) and are focused on genomics and ‘next-generation diagnostics’. In Fiscal 2023, we introduced over 200 new tests including niche specialized tests in relation to genomics, molecular pathology for cancer, reproductive medicine, rare diseases and inherited disorders. We also offer a wide range of corporate wellness services and preventive care health packages comprising several pathology and radiology tests as well as home collection services, which helps us in acting as a one-stop solution for diagnostics testing services for patients and further enables us to cross-sell and bundle our offerings.

Our service offerings and network cater to: (i) individual patients, i.e., business-to-consumer (“B2C”), who either walk in to our diagnostics laboratories and collection centers, use our home collection services (which is spread in over 80 cities in India, as of March 31, 2023) through call, email or our digital platforms including our website, WhatsApp chat bot or mobile application; and (ii) institutional customers, i.e., business-to-business (“B2B”), which include physician offices, independent healthcare providers (including large and small-scale private and public sector hospitals, nursing homes, private laboratories, radiology centers and diagnostics centers) whose customers require diagnostics (pathology and/or radiology) services, other institutions (such as corporate employers and insurance companies), clinical laboratories operated and managed by us in hospitals for private healthcare providers and public health agencies through PPPs as well as clinical trials conducted on behalf of contract research organizations and pharmaceutical manufacturers. Over the last three years, our network has grown from 2,250 CTPs, as of March 31, 2021 to 3,757 CTPs as of March 31, 2023, which has augmented our growth in the B2C segment. We benefit from both B2C and B2B segments: the former enhances our brand and customer retention, and the latter gives us access to hospital infrastructure and doctors and higher volumes of tests. In Fiscal 2023, our B2C operations generated ₹7,317.52 million accounting for 54.31% of our revenue from operations, while our B2B segment generated ₹6,157.10 million, accounting for 45.69% of our revenue from operations, resulting in a healthy balance between our B2C and B2B segments.

We follow a customer centric approach by offering an omni-channel experience for patients who can seamlessly avail our pathology and radiology services through our laboratories, mobile application and website. According to the CRISIL Report, we were the first laboratory chain in India to integrate its own laboratory management

system with Ayushman Bharat Digital Mission under the National Health Authority in Fiscal 2021. Our centralized laboratory management system, *CLIMS*, enables us to automate laboratory workflows and manage samples, test results, collection operations and business processes. The services that we provide enable our customers to book tests, locate the nearest test centers, generate digital test reports and receive service support from the convenience of their homes at a relatively fast turn-around-time.

We recently, in May 2023, undertook a brand transformation journey by rebranding ourselves as *Agilus Diagnostics* from our former brand name with the aim of continuing to build upon our over 28 years of expertise and experience of delivering quality diagnostics care. ‘*Agilus*’ is a portmanteau of ‘*Agile*’ and ‘*Us*’ and is inspired from the Latin term ‘*agilis*’ which means agility. Our new brand is in consonance with our commitment to deliver quality diagnostics services with speed and accuracy. Our laboratories were the first in India to receive accreditations from authorities such as NABL and College of American Pathologists (“**CAP**”) (*Source: CRISIL Report*). We have also been consistently recognized for delivering quality diagnostics services including the “Best Brand in Diagnostic Services in Pathology and Radiology” award by the Economic Times in Fiscal 2019, the “Excellence in Pan India Diagnostics (Pathology)” award at the Businessworld Healthcare Excellence Awards 2022, the “Patient Centricity for Diagnostic Labs” award at the IHW Patient First Awards 2022 and the “Driving Healthcare Innovation” award by CII Institute of Logistics at the Supply Chain and Logistics Excellence Awards 2021.

We benefit from the reputation, track record, in-depth understanding and experience of our Promoter, Fortis Healthcare Limited (“**Fortis**”) in the healthcare industry. We are led by our Managing Director & Chief Executive Officer, Anand Kuppaswamy, who is supported by a Board of Directors with diverse backgrounds, and qualified and experienced management, and medical and scientific teams. As of March 31, 2023, we had a full-time medical and scientific staff of 4,614 personnel comprising, among others, pathologists, radiologists and scientists as well as paramedical staff.

### Certain Key Financial and Other Operational Information

Set out below are certain material key performance indicators and other financial and operational indicators, as of and for the years indicated:

Particulars	As of and for the year ended March 31,		
	2021	2022	2023
<b>Key Financial Indicators</b>			
Revenue from operations (₹ million)	10,350.73	16,049.11	13,474.62
Restated profit for the year (₹ million)	1,312.45	5,547.08	1,166.36
PAT Margin <sup>(1)</sup> (%)	12.68%	34.56%	8.66%
EBITDA <sup>(2)</sup> (₹ million)	2,442.04	7,323.95	2,626.26
Adjusted EBITDA <sup>(3)</sup> (₹ million)	2,442.04	4,262.52	2,626.26
EBITDA Margin <sup>(4)</sup> (%)	23.59%	45.63%	19.49%
Adjusted EBITDA Margin <sup>(5)</sup> (%)	23.59%	26.56%	19.49%
Return on Equity <sup>(6)</sup> (%)	10.53%	34.91%	6.12%
Return on Capital Employed <sup>(7)</sup> (%)	20.61%	73.39%	20.17%
Net debt/equity	Nil	Nil	Nil
Average revenue per test (“ <b>ARPT</b> ”) <sup>(8)</sup> (₹)	439.91	363.27	344.88
Revenue per accession <sup>(9)</sup> (₹)	938.43	749.88	810.66
Working capital days <sup>(10)</sup>	30.33	32.97	46.06
Revenue generated from routine tests <sup>(11)</sup> as a % of total revenue	37.08%	40.32%	52.77%
Revenue generated from specialized tests <sup>(12)</sup> as a % of total revenue	57.09%	53.71%	38.07%
Revenue generated from wellness packages <sup>(13)</sup> as a % of total revenue	5.83%	5.97%	9.16%
<b>Key Operational Indicators</b>			
Number of laboratories	420	423	413
Number of patients served (million)	11.03	21.40	16.62
Number of tests performed (million)	23.53	44.18	39.07
Customer touch points (CTP)	2,250	3,050	3,757
Customer touch points (CTP) per laboratory <sup>(14)</sup>	5.36	7.21	9.10
Number of tests per patient visit <sup>(15)</sup>	2.13	2.06	2.35

Notes:



For reconciliation of Non-GAAP measures, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non- GAAP Measures” on page 345. Also see “Risk Factors –We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry we operate” on page 57.

1. PAT Margin is the percentage of restated profit for the year divided by revenue from operations.
2. EBITDA is calculated as restated profit for the year plus tax expenses, finance costs, depreciation and amortization expense.
3. Adjusted EBITDA is calculated as restated profit for the year plus tax expenses, finance costs, depreciation and amortization expense and exceptional items.
4. EBITDA Margin is the percentage of EBITDA divided by revenue from operations.
5. Adjusted EBITDA Margin is the percentage of Adjusted EBITDA divided by revenue from operations.
6. Return on Equity is calculated as restated profit for the year divided by average equity.
7. Return on Capital Employed is calculated as a percentage of EBIT (i.e., calculated as restated profit for the year before tax expenses and finance costs) divided by capital employed (i.e., total equity plus total borrowings, lease liabilities, deferred tax liabilities excluding goodwill and other intangible assets).
8. Average revenue per test is calculated as revenue from operations divided by the number of tests performed.
9. Revenue per accession is calculated as revenue from operations divided by the number of patients served.
10. Working capital days is calculated as inventory days plus debtor days minus payable days.
11. Routine tests include: (a) basic bio-chemistry tests such as blood sugar for diabetes and creatinine for kidney function; (b) basic haematology tests such as blood count; and (c) clinical pathology tests such as routine urine examination.
12. Specialized tests are clinical laboratory tests that are not routine. Specialized tests include molecular diagnostics, protein chemistry, cellular immunology, flow-cytometry, genetics, cytogenetics, immunohistochemistry and advanced microbiology tests. They also include anatomic pathology testing for the diagnosis of cancer and other medical conditions through the examination of tissue and cell samples taken from patients, and include the disciplines of histopathology, cytopathology, clinical pathology and immunopathology.
13. Wellness packages include a combination of tests based on age, sex, clinical history, parental history and affordability for our patients. In addition to pathology tests, the packages also include radiology tests such as ECG, X-ray, ultra-sound and stress test.
14. CTP per laboratory is calculated as number of CTPs divided by number of laboratories.
15. Number of tests per patient visit is calculated as number of tests performed divided by number of patients served.

## Competitive Strengths

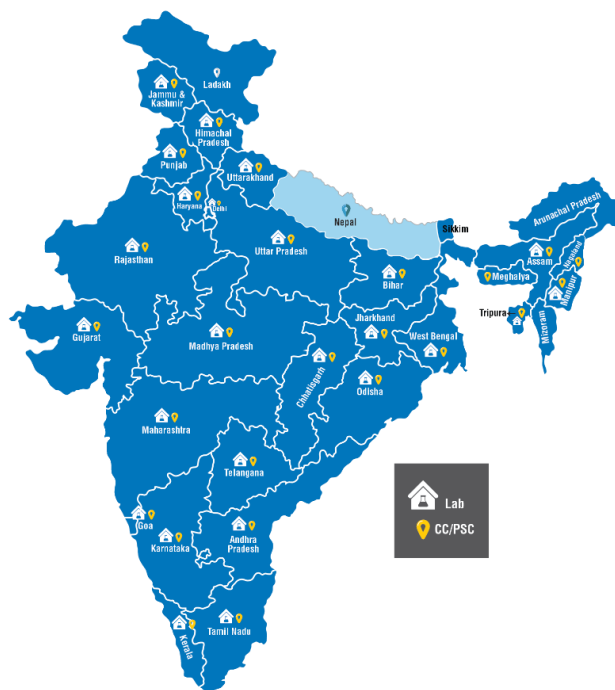
### ***Experienced pan-India diagnostics service provider with a diversified presence and a growing network that is well positioned to capitalize on the expected growth in the Indian diagnostics industry***

We commenced operations in 1995, and for over 28 years, have built a legacy of expertise, experience and trust with patients, doctors and healthcare providers by conducting diagnostics tests, providing quality diagnosis and upgrading our technology in response to the changing customer needs. We were ranked second in terms of revenue from operations among diagnostic companies in India in Fiscal 2023 (*Source: CRISIL Report*). We were also awarded the “Diagnostic Chain of the Year - National” by the Economic Times in Fiscal 2023 and “Excellence in Pan India Diagnostics (Pathology)” title at the Businessworld Healthcare Excellence Awards 2022. We are the largest diagnostics company in India in terms of number of laboratories as of March 31, 2023 (*Source: CRISIL Report*). With a widespread network of 413 laboratories as of March 31, 2023, we served 16.62 million patients in Fiscal 2023 and conducted an average of 107,043 diagnostics tests per day in Fiscal 2023. Moreover, our diagnostics laboratory network is supported by 4,614 medical and scientific professionals including 438 doctors (comprising pathologists, radiologists and scientists) and 4,176 technicians and paramedical staff, as of March 31, 2023. Our diagnostics laboratory network operates on a ‘hub-and-spoke’ model, whereby specimens are collected across multiple locations within an area or region for delivery/ shipment to our reference/ clinical laboratories for centralized diagnostics testing. Our GRL is located in Mumbai in Maharashtra and five RRLs are located in Gurugram in Haryana, Bengaluru in Karnataka, Chennai in Tamil Nadu, Kolkata in West Bengal and Cochin in Kerala, supported by 67 medium laboratories, 210 stat laboratories and 3,757 CTPs, as of March 31, 2023. This model offers a scalable platform for the continued growth of our business, provides greater economies of scale, enhances consistency of our testing procedures and enables for quick and efficient delivery of services through our widespread diagnostics network, which is spread across 25 states and five union territories covering over 1,000 towns and cities and 532 districts in India, as of March 31, 2023. In addition, we also have a laboratory in Dubai, two laboratories and 17 collection centers in Nepal and over 800 pick-up points spread across the Middle East, Sub-Saharan Africa, Commonwealth of Independent States and the SAARC region, as of March 31, 2023.

We have implemented an asset light model that enables us to grow our service network in a cost-effective manner and focus on delivering our services to our customers. All our laboratories (apart from our GRL), patient service centers and wellness centers are operated on leased or licensed premises and we also majorly use equipment provided by our vendors under equipment placement agreements for conducting tests and providing our offerings. For more details, see “- Description of our Business - Equipment Maintenance” on page 189. We have also grown our service network by contracting with franchisees to operate our collection centers and 37 laboratories, as of March 31, 2023. Our network of CTPs has increased significantly by 66.98% from 2,250 CTPs as of March 31, 2021 to 3,757 CTPs as of March 31, 2023, out of which 3,248 were operated by franchisees. For catering to the requirements of our institutional customers, we had over 12,000 pick-up points, as of March 31, 2023 which

included healthcare facilities such as hospitals, clinics, laboratories and nursing homes that outsource their testing requirements to us. In addition, we provide last-mile service delivery to our patients through our home collection service available in over 80 cities in India, as of March 31, 2023.

Set out below is a pictorial representation of our operational network as of March 31, 2023:



Note: Map not to scale

Our well-diversified geographical presence has no significant dependence on any particular region within India making our operations resilient to regional macro-economic factors while benefitting from the competitive advantages of each region. Set out below is the revenue from operations by regions/ geographies for the years indicated:

Region	Fiscal					
	2021		2022		2023	
	Amount	% of revenue from operations	Amount	% of revenue from operations	Amount	% of revenue from operations
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
<b>India</b>						
North(1)	4,190.15	40.48%	5,077.43	31.64%	4,387.05	32.56%
South(2)	1,037.86	10.03%	4,523.30	28.18%	3,788.05	28.11%
East(3)	1,413.68	13.66%	1,994.81	12.43%	1,863.03	13.83%
West(4)	3,480.08	33.62%	3,936.88	24.53%	3,105.72	23.05%
Rest of the world	228.97	2.21%	516.70	3.22%	330.76	2.45%
<b>Total</b>	<b>10,350.73</b>	<b>100.00%</b>	<b>16,049.11</b>	<b>100.00%</b>	<b>13,474.62</b>	<b>100.00%</b>

Notes:

1. North India includes the states of Jammu and Kashmir, Himachal Pradesh, Punjab, Haryana, National Capital Region of Delhi, Uttar Pradesh, Rajasthan, Uttarakhand, Bihar, Chhattisgarh, Jharkhand and Madhya Pradesh as well as the Union Territories of Chandigarh and Ladakh.
2. South India includes the states of Kerala, Andhra Pradesh, Telangana, Karnataka and Tamil Nadu as well as the Union Territories of Lakshadweep, Puducherry and Andaman and Nicobar Islands.
3. East India includes the states of West Bengal, Odisha, Sikkim, Manipur, Meghalaya, Mizoram, Tripura, Arunachal Pradesh and Assam.
4. West India includes the states of Maharashtra, Gujarat and Goa as well as the Union Territories of Daman and Diu, and Dadar and Nagar Haveli.

### ***Comprehensive test offerings providing one stop solution for diagnostic requirements***

We offer a comprehensive test menu across pathology and radiology segments, with over 3,600 tests, as of March 31, 2023, comprising routine and specialized tests and have performed over 300.00 million tests since 2008. In Fiscals 2021, 2022 and 2023, we performed 23.53 million, 44.18 million and 39.07 million tests, respectively. Our test menu includes: (i) pathology tests ranging from routine tests such as basic to esoteric tests in biochemistry, haematology, microbiology, genetics, immunology and clinical pathology; specialized tests such as advanced molecular diagnostics tests, including protein chemistry, cellular immunology, flowcytometry, genetics, cytogenetics, immunohistochemistry and advanced microbiology tests; and (ii) radiology tests ranging from routine tests such as basic echocardiograms, X-rays and ultrasounds; and specialized tests such as advanced radiology tests including MRI and CT. Also, see “*Description of our Business – Clinical Laboratory Services*” on page 182. In Fiscal 2023, our aggregate revenue generated from routine and specialized tests accounted for 52.77% and 38.07%, respectively, of our revenue from operations.

Our wellness services and preventive care health packages cater to different customer needs and preferences. We operate 25 wellness centers that provide comprehensive and holistic wellness and preventive healthcare services including pathology tests, radiology tests and certain other services such as audiometry, pulmonary function test, treadmill test, dexta scan, basic eye and dental check-up, physician consultation and gynaecologist consultation, as of March 31, 2023. According to the CRISIL Report, there has been a significant increase in health awareness and a growing emphasis on preventive healthcare in India, especially following the COVID-19 pandemic, which has increased the importance of healthcare including early detection and regular health check-ups. The overall market for wellness and preventive diagnostics accounts for approximately 19% of the total pathology diagnostics segment in Fiscal 2023 and is expected to grow at a rate of 13.5-15.5% between Fiscals 2023 and 2028. By leveraging our experience and technological capabilities, we have been able to develop a wide range of wellness profiles and preventive care health packages according to the individual needs of our customers as well as offer testing services that help with the early and accurate detection of certain types of health conditions. Such packages also serve to our advantage in terms of better pricing and high brand visibility, and facilitates cross-selling of our offerings to customers. Revenue generated from wellness packages increased from 5.83% of our revenue from operations in Fiscal 2021 to 9.16% of our revenue from operations in Fiscal 2023.

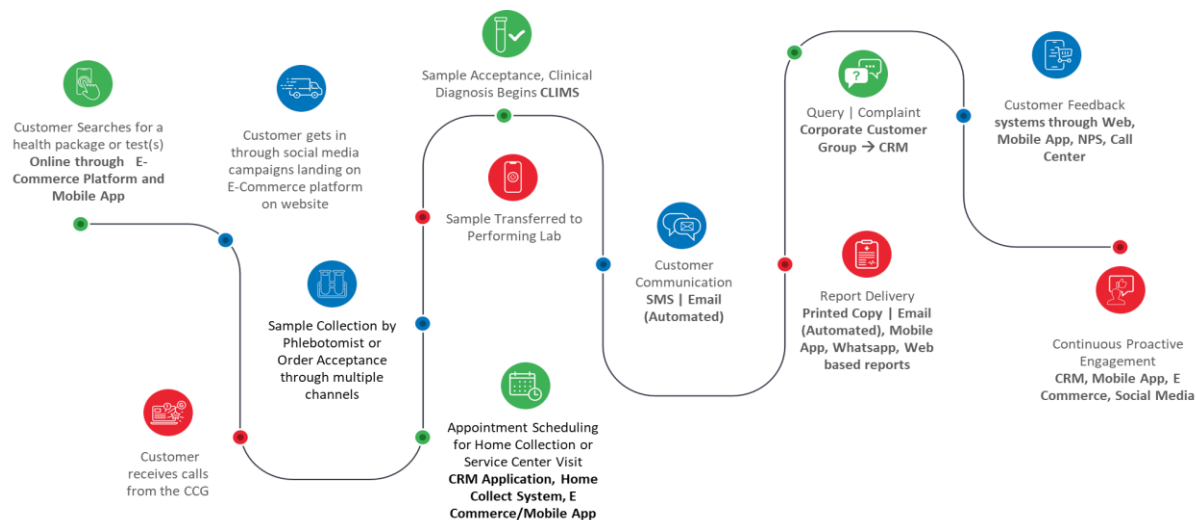
Through our comprehensive test offering, wellness services, widespread operational network and last-mile service delivery network, we are therefore able to act as a one-stop solution for customers to serve their pathology and radiology testing needs. This also prevents multiple customer visits or unnecessary travel to more than one facility, thereby offering convenience to our customers and decreasing their costs and time delays.

### ***Advanced information technology platform supported by integrated systems enabling customer-centric initiatives***

Our centralized information technology platform, *CLIMS*, enables: (a) automation of our laboratories, CTPs and other business processes; (b) seamless customer experience by centralizing the home visit bookings and allocations; and (c) seamless integration with other information technology systems. Further, the growth of our network is supported by the scalability of our technology platform, which can readily adapt to the increased data requirements of additional clinical laboratories and CTPs. We were also the first laboratory chain in India to integrate its own laboratory management system with Ayushman Bharat Digital Mission under the National Health Authority in Fiscal 2021 (*Source: CRISIL Report*). In Fiscal 2021, we won the “Excellence in Healthcare Innovation” award by CII Institute of Logistics at the Supply Chain and Logistics Excellence Awards 2021.

Our technology infrastructure is supported by logistics efficiencies, such as route planning and optimization, integrated systems for registration (bar-coding), billing, analysis reporting and delivery of reports that enable us to reduce human error, deliver faster TAT and enhance customer experience.

We have also recently partnered with a global image sharing platform for pathology that enables specialist pathologists at our reference laboratories to provide pathology consultation instantly on cases uploaded from remote locations in our laboratory network. We are committed to delivering a customer-centric experience through an integrated and seamless customer experience enabled through our technology platforms and data-driven actionable insights. We have also implemented a WhatsApp Chat-bot feature for our patients to: (a) digitally book tests for home visit or lab visit; (b) retrieve lab reports; (c) locate nearest lab or collection center; and (d) address any other queries related to our service. We have also received the “Patient Centricity for Diagnostic Labs” award at the IHW Patient First Awards 2022. Set out below is the customer engagement journey through our digital ecosystem:



### Well-balanced B2C and B2B revenue mix

We stand to benefit from both the B2C and B2B segments due to our well-balanced revenue mix. According to the CRISIL Report, in the diagnostics services industry, the B2C segment provides higher brand visibility with repeat customer relationships, while the B2B segment provides access to hospital infrastructure including an established doctor network and higher volumes of tests. Set out below is the revenue from operations by customer segment for the years indicated:

Segment	Fiscal					
	2021		2022		2023	
	Revenue from operations (₹ million)	% of total revenue from operations	Revenue from operations (₹ million)	% of total revenue from operations	Revenue from operations (₹ million)	% of total revenue from operations
B2C	5,025.12	48.55%	8,759.24	54.58%	7,317.52	54.31%
B2B	5,325.61	51.45%	7,289.87	45.42%	6,157.10	45.69%
<b>Total</b>	<b>10,350.73</b>	<b>100.00%</b>	<b>16,049.11</b>	<b>100.00%</b>	<b>13,474.62</b>	<b>100.00%</b>

**B2C.** Our customer-centric approach coupled with our quality diagnostics healthcare services has helped us in establishing ourselves as a consumer healthcare brand in the diagnostics services industry, providing us with significant advantages in terms of generating additional revenue by cross-selling our holistic wellness offerings. Our processes are designed with a focus on customer convenience across all stages of our operations. For the convenience of our customers, we have enhanced our last-mile service delivery services by increasing our network from 2,250 CTPs, as of March 31, 2021 to 3,757 CTPs as of March 31, 2023, and the scope of our home collection services to over 80 cities, as of March 31, 2023. We have developed various user-friendly digital access modes such as our mobile application and website which help customers in, among others, booking tests, accessing test reports and locating nearest test centers. In addition, we offer technology-enabled customer support through call, email and WhatsApp chat bot, which our customers can avail from the convenience of their homes. We also offer “Smart+ Reports” that provide detailed insights including diet and lifestyle interventions, live tracking of phlebotomists, and have implemented quick-responsive (QR) codes on laboratory reports to ensure authenticity.

**B2B.** We have tie-ups with independent private healthcare set ups including large and small-scale hospitals, nursing homes, private laboratories, radiology centers, diagnostics centers, IVF centers and other healthcare service providers. Such institutional customers require diagnostics services (pathology and/or radiology services) and the samples collected by them are sent to our laboratories for analysis. As of March 31, 2023, we had over 12,000 pick-up points for collection of test samples to cater to our institutional customers’ needs. We also provide corporate wellness services including pre-employment health check-ups, annual employee health check-ups, occupational health, safety and wellness and regular health check-ups. Further, we provide hospital laboratory management services to 81 private healthcare providers (including 24 laboratories in hospitals operated by our Promoter, Fortis), as of March 31, 2023, wherein we operate and manage ‘in-hospital’ clinical laboratories. In addition, our Company and one of our Subsidiaries, Agilus Pathlabs Reach Limited, have entered into PPPs with

the governments of New Delhi and Jharkhand, respectively, to set up and manage their diagnostics laboratory centers. Moreover, we conduct clinical trial studies for contract research organizations and pharmaceutical manufacturers.

***Quality network of accredited laboratories supported by R&D capabilities focused on genomics and next-generation diagnostics***

For over 28 years, we have established a pathology and radiology practice in India, offering quality and advanced diagnostics healthcare services. We had the largest NABL accredited network of laboratories in India, as of March 31, 2023 (*Source: CRISIL Report*). As of March 31, 2023, 43 of our laboratories have obtained accreditations from NABL in the field of medical testing. Three of our laboratories in India have also been recognized under “NABL Medical (Entry Level) Testing Labs (“NABL M(EL)T Labs”) Program and our laboratories in Mumbai in Maharashtra and Dubai have also been accredited by CAP. According to the CRISIL Report, our laboratories were the first in India to have received accreditations from NABL and CAP in 1999 and 2002, respectively. Moreover, two of our laboratories in India are affiliated with the National Tuberculosis Elimination Programme (“NTEP”) for tuberculosis drug resistance testing. Such accreditations assist in obtaining referrals from physicians, hospitals and other healthcare service providers, and enable us to be chosen by our customers including government agencies as their diagnostics healthcare service provider.

We are focused on R&D to diagnose health concerns accurately and timely, and help patients and healthcare providers deal with various growing health ailments. Our R&D division seeks to identify new business areas including pharmacogenomics and preventive medicine, expand its existing test menu and develop new tests and assays in diagnostics, in order to improve sensitivity, specificity, time or costs as compared to available conventional tools. In particular, we focus on developing advanced solutions in diagnostics testing, laboratory efficiency and clinical decision support with a special focus on genomics and next-generation diagnostics. In Fiscal 2023, we introduced over 200 new tests including niche specialized tests such as ‘Tuberculosis Whole Genome Sequencing’, ‘Chromosomal Microarray’, ‘Complete Care Geno – Wellness’, ‘Dual Marker (FMF)’ by TRF Method and ‘Fatty Liver Index’. Further, our focus on specialized testing, particularly genomics, provides us with a significant competitive advantage. Moreover, our R&D division is ISO certified and has been recognized by the Department of Scientific and Industrial Research under the Government of India. We also operate three CoEs at Mumbai in Maharashtra and Gurugram in Haryana, as of March 31, 2023, which provide services in relation to histopathology (includes cancer diagnosis and second opinion cases), transplant immunology (includes tests related to solid organ transplant and hematopoietic stem cell transplant) and molecular pathology (includes both high-end genomic tests as well as complete molecular work-up of infectious diseases comprising viral, bacterial and parasitic infections).

Our R&D team also undertakes clinical research studies, co-marketing projects, contract evaluation and collaborations with various national laboratory network, technology providers and other advanced research centers on various areas with direct or indirect impact on healthcare. We regularly participate in scientific and academic conferences in India which has helped us in strengthening our brand recall and relationship with doctors. We are supported by a scientific team led by Dr. Avinash Phadke (President – Technical and Mentor, Clinical Pathology). We also offer a fellowship program to medical students that imparts applied knowledge of molecular pathology in cancers, genetic disorders, and infectious diseases. For further details in relation to our scientific team, see “*Description of our Business – Research and Development*” on page 188.

***Strong parentage and experienced management team with significant industry experience***

We derive benefit from the lineage of our Promoter, Fortis, by leveraging its long-standing legacy in healthcare services, in-depth understanding, and operational experience, in the healthcare industry, corporate governance standards, values and trust. Fortis is one of the leading players in the Indian healthcare delivery market in India in terms of revenue from operations in Fiscal 2023 (*Source: CRISIL Report*).

We have an experienced management team led by our Managing Director & Chief Executive Officer, Anand Kuppuswamy, who has over 25 years of experience in the healthcare industry. Anand Kuppuswamy was conferred with the “Healthcare CEO of the Year Award” in 2022. Our management team consists of professionals with skills in diagnostics and healthcare management, R&D, international business and finance, marketing and human resources. Our Board of Directors includes a combination of management executives and experts from the healthcare industry. The experience and diversity of our management team and Board of Directors give us the ability to operate successfully in our competitive industry and in the changing market environment, implement

our strategies and successfully integrate any acquired businesses. For further information, see “*Our Management*” on page 212.

## **Strategies**

### ***Continue to grow and deepen our network across India and international markets***

We intend to continue expanding our diagnostics laboratory network in new regions as well as further strengthen our presence in the regions in which we operate, particularly in Tier II and Tier III cities across India. According to the CRISIL Report, diagnostics services are under-penetrated in non-metro regions in India. For instance, while metro regions have a penetration of 1,500-2,000 tests per 1,000 population, non-metro regions have a penetration of only 500-600 tests per 1,000 population, despite non-metro regions occupying 85-90% of the total tests (*Source: CRISIL Report*). Our aim is to grow our presence in such regions in both the B2B and B2C segments. We aim to open new patient service centers and collection centers to increase our last-mile service delivery reach to customers, establish more stat laboratories in under-penetrated and under-served areas, undertake integrated brand building campaigns to promote our brand further, continue to improve our customer experience and raise awareness among doctors on the quality and comprehensive nature of our service offerings in such regions. Further, we intend to continue to focus on our asset-light expansion strategy and grow our CTP network largely through franchisees. We also intend to expand by managing more in-hospital laboratory services, working with healthcare providers from both the private and public sectors (through PPPs), by leveraging the scale and efficiency of our network.

In addition to the growth opportunities in India, we see opportunities to grow and deepen our international operations, particularly in the markets we currently operate in, through the management of third-party laboratories and operating collection centers. We also intend to partner with healthcare organizations in the international market for their specialized tests outsourcing requirements.

The scale of our established operations, widespread presence, leadership position, ability to offer quality and accurate diagnostics test results and service delivery coupled with brand-building activities will aid in cost-effective organic expansion with deeper penetration as well as increase our customer base.

### ***Drive further utilization of existing infrastructure to yield operating leverage***

In order to maintain profitability and improve our margins, it is critical for us to increase the utilization of our existing operational network. We intend to drive further utilization of our existing network of laboratories by increasing tie-ups with healthcare service providers such as hospitals, private laboratories and standalone diagnostics centers, and other institutions such as corporations and pharmaceutical and insurance companies. According to the CRISIL Report, increasing competition has prompted industry players to adopt various techniques to differentiate themselves in terms of bandwidth, such as providing home pick-up and point-of-contact testing. As of March 31, 2023, our home collection services are available in over 80 cities. We plan to continue to increase our home collection services to reach out to more customers which will help in increasing the utilization of our laboratories. Further, we will continue to focus on increasing our network of CTPs in order to make our service offerings more accessible to customers and increase our efficiency as well as further solidify our presence.

### ***Innovate and develop improvements to existing tests and create new tests***

We believe that a key factor to succeed and to sustain and strengthen our business will be our ability to innovate and develop improvements to existing tests and to create and introduce new tests that will meet or create demands which are not presently being satisfied by available tests, thereby expanding the range and scope of our services to our customers in India and internationally. Accordingly, we intend to continue our focus on tests in relation to genomics, molecular pathology for cancer, reproductive medicine, rare diseases and inherited disorders.

According to the CRISIL Report, the healthcare industry is expected to focus more on treating illness to promoting wellness, prioritizing diagnosis, and delivering care in the patient’s home rather than in a healthcare facility. Further, the COVID-19 pandemic has resulted in an increased awareness of self-testing, particularly in relation to preventive and wellness services. Moreover, there is a growing preference for evidence based treatment and personalized medicine which will expand the role that diagnostics play in clinical decision-making (*Source: CRISIL Report*). Accordingly, we intend to offer more preventive and wellness packages, preventive health screenings and chronic and lifestyle disease management services to individual and corporate customers by leveraging our wellness centers as well as expand our home collection services to reach out to more customers.

Moreover, we are also in the process of getting a Central Drugs Standard Control Organisation registration for conducting contract validations of diagnostics kits and equipment. We have also been included in the INSACOG, which has been approved by Department of Biotechnology, Ministry of Science and Technology and final process for acceptance of terms and conditions has been initiated.

By leveraging our R&D capabilities, expertise of skilled scientific and medical team, extensive operational network and advanced infrastructure, we aim to launch diagnostics solutions that not only meet the challenges of today but also anticipate future needs.

#### ***Focus on technology to enhance customer experience***

We intend to continue our business transformation, improve customer experience and create a more convenient one-stop solution for all patients' diagnostics needs through the integration of digital technology, artificial intelligence and machine learning. According to the CRISIL Report, diagnostic players are leveraging technology and digital media to enable data-driven business decisions to enhance performance marketing, improve customer experience through operational agility and customer loyalty, open up new revenue channels and aid in hyper local digital campaigns.

We intend to increase our touch points and engagement with customers through various digital and technological initiatives. We are constantly enhancing and upgrading our mobile application and website in order to ensure a smooth and seamless experience for our customers. We are also working on providing longitudinal reports and trends for individual patients as well as communities apart from providing data-driven actionable insights to our doctors based on the large repository of test results that we have. We also intend to use such detailed data from various segments and regions to support and develop solutions based on artificial intelligence in pathology and radiology. Moreover, we continue to optimize our processes through digitization during sample collection and logistics, laboratory automation at the pre-analytical phase, and reporting.

#### ***Supplement organic growth with selective strategic acquisitions and partnerships***

To complement our organic growth and internal expertise, we may explore and selectively pursue acquisitions, strategic alliances, franchising, joint ventures and other alliances that are opportunistic rather than need-based. In addition, we may consider such expansion to realize any potential significant first-mover advantages in any specific geography in India or other international markets. We believe such acquisitions and strategic partnerships will: (a) help us enter in newer markets; (b) increase our customer base to consolidate our position in markets in which we currently operate; (c) strengthen or expand our diagnostics offerings and technological capabilities; and (d) enable us to achieve operating leverage by unlocking potential efficiency and synergy benefits.

According to the CRISIL Report, the Indian diagnostics industry is highly fragmented. Despite continued consolidation whereby large diagnostic chains acquire standalone diagnostic centres as well as regional diagnostic chains, diagnostic chains contributed only 16-20% of the total diagnostics industry in India in Fiscal 2023. We have a track record of successfully acquiring and integrating companies to grow our laboratory network, geographical reach, customer base and portfolio of tests. For instance, we acquired the diagnostics services business of Piramal Healthcare Limited in 2011, which according to the CRISIL Report, is the largest acquisition prior to Fiscal 2020, in the Indian diagnostics industry. Further, we acquired 100% equity shareholding in DDRC Agilus Pathlabs Limited (“DDRC”) in Fiscal 2022, pursuant to which, we became one of the largest among the key pathology diagnostics companies in south India in terms of revenue, according to CRISIL Report. Given our track record of successfully integrating our businesses following our acquisitions in the past, we are well positioned to take advantage of the expected consolidation opportunities and the shift towards organized providers in the Indian diagnostics market.

### **Description of our Business**

#### **Our Operational Network in India**

We have an extensive diagnostics network in India spread across 25 states and five union territories covering over 1,000 towns and cities and over 532 districts, as of March 31, 2023.

#### **Clinical Laboratories**

##### ***Global Reference Laboratory (GRL)***

We operate one central GRL at Mumbai in Maharashtra, which was set up in 1996 and is spread over an area of 76,000 sq. ft. of super built up area of land owned by us. It acts as the main 'processing hub' for our entire diagnostics laboratory network, and is equipped to conduct a majority of the tests offered by us. GRL is also the only laboratory within our network to conduct certain specialized tests such as chromosomal microarray, carrier screening and genetics testing. In addition to serving walk-in patients, GRL receives specimens for testing from our home collection services, other clinical laboratories, CTPs and pick-up points. GRL has obtained accreditations from authorities such as CAP and NABL and operates various analytical departments including: (a) hematology; (b) clinical biochemistry; (c) clinical pathology; (d) microbiology; (e) cyto-genetics; (f) molecular oncology; (g) radiodiagnosis and imaging; (h) molecular genomics; and (i) histopathology. GRL also has a department dedicated towards clinical research and research services and innovation. It also operates two CoEs in histopathology and molecular pathology.



### ***Regional Reference Laboratories (RRLs)***

We operate five RRLs, which are strategically located at Gurugram in Haryana, Bengaluru in Karnataka, Chennai in Tamil Nadu, Kolkata in West Bengal and Cochin in Kerala. RRLs act as the main processing hub for the specific regions in which they operate and conduct all routine and a majority of specialized tests. Similar to GRL, in addition to serving walk-in patients, the RRLs help to process specimens for specialized testing delivered by our clinical laboratories, CTPs and pick-up points as well as through our home collection services. Each of our RRLs have been accredited by NABL, with the RRL located at Gurugram in Haryana also operating a CoE in transplant immunology.







### ***Other Clinical Laboratories***

#### ***Medium Laboratories***

Our medium laboratories are strategically located to serve as “mini-hubs” to surrounding CTPs (comprising collection centers and patient service centers) and pick-up points, and are spread across major cities in India. These laboratories, in addition to the delivery of specimens through home collection services, receive test requests and related specimens from our collection centers, patient service centers and pick-up points along with serving walk-in patients. They are also equipped to conduct and process the majority of the routine diagnostics tests and certain specialized tests onsite. As of March 31, 2023, we had a total of 67 medium laboratories.

#### ***Stat Laboratories***

Our stat laboratories are relatively smaller laboratories located strategically to provide a deeper penetration in under-served areas. Such laboratories are equipped to conduct various routine tests, enabling us to provide faster TAT for certain tests. These laboratories process specimens received through home collection services, collection centers, patient service centers and pick-up points along with serving walk-in patients. As of March 31, 2023, we had a total of 210 stat laboratories.

### **Customer Touch Points (CTPs)**

CTPs include collection centers, which are centers operated by franchisees, laboratories with walk-in facilities and patient service centers, which are centers operated by us. As of March 31, 2023, we had 3,757 CTPs, out of which 3,248 were collection centers operated by our franchisees, 318 were laboratories with walk-in facilities and 191 were patient service centres.

#### ***Collection Centers***

Our collection centers are standalone specimen collection points that are operated by third party franchisees in accordance with our quality standards specified in the SOPs and the terms set out in their respective franchisee agreement. While we provide technical and marketing support to these centers, rent and personnel expenses are borne by our franchisees operating such collection centers. As of March 31, 2023, our network included a total of 3,248 collection centers. Depending on the type and difficulty of the tests needed, the specimens collected at such collection centers are sent to our GRL, RRLs or other clinical laboratories for processing. Further, these centers typically have basic equipment such as refrigerators and centrifuges and employ minimal staff including receptionists, laboratory technician attendants and delivery staff.

#### ***Patient Service Centers***

Our patient service centers, which are operated by us, collect specimens from individual patients. Typically, individual patients visit patient service centers either on their own or with a prescribed test request from a physician, another qualified healthcare professional, hospital, clinic or nursing home. The collected specimens are then transported to our GRL, RRLs or other clinical laboratories for processing, depending on the nature and complexity of the tests required. As of March 31, 2023, we operated 191 patient service centers.

## **Home Collection Service**

In order to provide enhanced convenience to our patients, we provide home collection services of specimens in over 80 cities in India, as of March 31, 2023. These services complement our traditional business model, under which specimens are collected from the patients' locations, such as their homes or offices, by in-house and third-party phlebotomists. Our patients are able to avail such services through our digital platforms including our website, WhatsApp chat bot and mobile application. The collected specimens are then transported in a specially designed transportation box to the designated hub for specimen preparation, which are then delivered to our GRL, RRLs or other clinical laboratories for processing, depending on the nature and complexity of the tests required. We have set up a separate department to provide home collection service at each of our laboratories, to ensure quality service to our customers.

## **International Operations**

We commenced our international operations in 2003 by setting up a reference laboratory in Dubai. As of March 31, 2023, we had one laboratory at Dubai in United Arab Emirates which is a CAP accredited laboratory and two laboratories in the cities of Kathmandu and Biratnagar in Nepal. Further, we have over 800 pick-up points spread across the Middle East, Sub-Saharan Africa, Commonwealth of Independent States and the SAARC region and 17 collection centers in Nepal.

Our logistics network enables our international collection centers to transfer specimens in temperature controlled environments to our GRL, RRLs and other clinical laboratories in India, which process the specimens and make the reports available on a real-time basis using our IT systems. Along with laboratory services (including both radiology and pathology), we also assist our international clients and partners in the planning and implementation of laboratory management services, together with complete IT support through our laboratory management software, *CLIMS*. The specimens we receive from our international centers are imported in compliance with the Indian Council of Medical Research ("ICMR") guidelines for the import of test specimens.

## **Clinical Laboratory Services**

### ***Pathology Services***

*Routine Testing:* Routine tests include: (a) basic bio-chemistry tests such as blood sugar for diabetes and creatinine for kidney function; (b) basic haematology tests such as blood count; and (c) clinical pathology tests such as routine urine examinations.

*Specialized Testing:* Specialized tests are clinical laboratory tests that are not routine. Specialized tests include molecular diagnostics, protein chemistry, cellular immunology, flow-cytometry, genetics, cytogenetics, immunohistochemistry and advanced microbiology tests. They also include anatomic pathology testing for the diagnosis of cancer and other medical conditions through the examination of tissue and cell samples taken from patients, and include the disciplines of histopathology, cytopathology, clinical pathology and immunopathology. Due to their complexity, these tests may require professional attention from skilled personnel and typically require more sophisticated technology, equipment and materials and are performed less frequently than routine tests. It is not practical, from a cost-effectiveness or infrastructure perspective, for most hospital, clinic or physician's office laboratories to develop and perform a broad menu of specialized tests, or to perform low-volume specialized testing in-house. As a result, such tests are often referred by such healthcare providers to independent laboratories, like ours, which possess the capabilities to perform more complex testing. Certain commonly ordered specialized tests include viral and bacterial detection tests, drug therapy monitoring tests, gene-based tests (genomics), autoimmune panels and complex cancer evaluations. In addition, we also provide digital pathology services under specialized testing services.

Genomics Capabilities: We offer various advanced genomic tests including precision oncology, reproductive genomics, transplant immunology, molecular infectious disease detection and rare disorders identification. According to the CRISIL Report, genetic and genomic testing, facilitated by next-generation sequencing technologies, has revolutionised genetic analysis, enabling the identification of specific genetic variations associated with various diseases. Our infrastructure is equipped with latest genomics platforms such as Real-Time PCR, Pyrosequencing, Sanger Sequencers and Next-Generation Sequencers, which enable our healthcare professionals to make informed decisions and improve patient outcomes, thereby strengthening our genetic diagnostics services to patients.

### ***Advanced Radiology Services***

We provide our advanced radiology services through our diagnostics centers located in Vadodara in Gujarat, Indore in Madhya Pradesh and Mysuru in Karnataka, and a hospital at Mumbai in Maharashtra. Our radiology services include magnetic resonance imaging (“MRI”) scans, computed tomography (“CT”) scans, X-rays, electrocardiogram (ECG), mammography, ultra sound, stress tests and echo cardiography.

### **Wellness and Preventive Healthcare Packages**

Our experience in diagnostics and related healthcare testing and services has allowed us to selectively combine diagnostics tests into diverse profiles to assist patients seeking to monitor their health and to prevent or treat diseases and other health conditions. These packages are a combination of a variety of early detection and diagnostics tests to screen selected diseases and disorders with primary focus on lifestyle diseases. We offer several packages which are a combination of tests based on age, sex, clinical history, parental history and affordability for our patients. In addition to pathology tests, the packages also include radiology tests such as ECG, X-ray, ultra-sound and stress test, and certain other services including audiometry, pulmonary function test, treadmill test, dexta scan, basic eye and dental check-up, physician consultation and gynaecologist consultation. The reports issued by us also include preliminary medical advice.

In addition to our services to individual patients, we provide corporate wellness services including pre-employment health check-ups, annual employee health check-ups, occupational health, safety and wellness and regular health check-ups.

As of March 31, 2023, we had a total of 25 wellness centers in India, which are operated by us. Each of our wellness centers includes a dedicated team of radiologists, cardiologists and gynaecologists.



### **Our Customer Segments**

#### ***B2C Segment***

Individual patients that either walk in to our diagnostics laboratories or CTPs, use our home collection services or avail our services through our digital platforms (such as our website, WhatsApp chat bot and mobile application), comprise our B2C segment. We bill such patients on a per test basis and in accordance with our laboratories’ customer fee schedule.

#### ***B2B Segment***

B2B segment comprises institutional customers: (i) physician offices; (ii) independent private healthcare providers (such as including large and small-scale private and public sector hospitals, nursing homes, private laboratories, radiology centers and diagnostics centers) whose patients require diagnostics services; (iii) other institutions (such as corporate employers, pharmaceutical companies and insurance companies); (v) private healthcare providers (under laboratory management agreements) and public health agencies (under PPPs) for whom we operate and manage in-house clinical laboratories; and (vi) contract research organizations and pharmaceutical manufacturers for whom we conduct studies.

### Pick-up Points

We service independent private healthcare providers including large and small-scale hospitals, clinics, nursing homes, private laboratories, radiology centers, diagnostics centers, IVF centers and other healthcare service providers, through over 12,000 pick-up points, as of March 31, 2023, from where we collect test samples on a daily basis and transport them to our GRL, RRLs or other clinical laboratories for processing. While some of such healthcare service providers are equipped to process their own specimens for certain tests, they outsource their specialized testing requirements to us. We enter into agreements with such independent private healthcare.

### Hospital and Clinical Laboratory Management

We enter into laboratory management agreements with private hospitals in relation to setting up and managing “in-hospital” clinical laboratories and conduct onsite testing. Such agreements are typically long-term and are entered into for terms ranging between one to ten years. We also provide offsite support for more complex testing needs through our GRL and RRLs as well as other clinical laboratories. Pursuant to the terms of our agreements, the customer typically provides rent-free space and access to its utilities and other infrastructure, and we provide the diagnostics equipment and are responsible for all costs relating to personnel, consumables, transportation of samples and quality control management of the laboratory. Further, we are required to pay a monthly commission as a percentage of net revenues to the relevant hospital/ institution under such agreements. As of March 31, 2023, we operate and manage 91 in-hospital laboratories, out of which 10 laboratories are operated under the PPP contract with the Government of Jharkhand, 24 in-hospital laboratories are operated in Fortis hospitals and 57 in-hospital laboratories are operated for other private hospitals.

### Master Service Agreement with our Promoter, Fortis

Our Company has entered into a master service agreement dated June 2, 2014 (“**Master Service Agreement**”) with our Promoter, pursuant to which we operate in-hospital laboratories and conduct on-site testing for our Promoter and its affiliates. Pursuant to the Master Service Agreement we provide pathology and diagnostic services at certain hospitals operated by our Promoter and its affiliates, as per the standard service level requirements and qualitative standards laid down in the Master Service Agreement. We are entitled to a consideration based on agreed rates linked to the net revenue generated by the laboratories on a monthly basis as described in the Master Service Agreement. This Master Service Agreement entitles either party to unilaterally terminate the agreement in the event of, amongst others, a material breach of the provisions of the master service agreement. The agreement may also be terminated upon mutual consent of the parties or can be extended on mutually agreed terms. Set out below are details of revenue generated from operating in-hospital laboratories at hospitals operated by our Promoter and its affiliates for the years indicated:

Particulars	Fiscal					
	2021		2022		2023	
	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations
Revenue from Fortis Group Entities	1,287.85	12.44%	1,516.84	9.45%	1,622.37	12.04%

The Master Service Agreement is valid until March 31, 2024. Our Company and our Promoter have executed a binding term sheet dated September 25, 2023 for operating in-hospital laboratories and conducting on-site testing at certain hospitals operated by our Promoter and its affiliates. In this regard, see “*Risk Factors – Internal Risks - We have entered into a master service agreement with our Promoter and certain other letters/agreements with our Promoter and its affiliates in respect of providing certain laboratory management services to them and are dependent on them for a portion of our revenues. Any non-performance, non-renewal/ revision, substantial change in the agreed rates or termination of such agreements may adversely affect our business, results of operations and financial condition.*” on page 44.

### Public-Private Partnership Projects (PPP)

Similar to our laboratory management agreements with private hospitals, we also enter into PPPs with public agencies to among others, set up and manage “in-hospital” clinical laboratories and conduct diagnostic tests. As of March 31, 2023, we have two subsisting PPP agreements with the governments of Delhi and Jharkhand for terms of two and ten years, respectively, which may be extended in accordance with the terms of the agreements. In the past, we have operated in-hospital clinical laboratories through PPPs in Uttar Pradesh and Himachal

Pradesh. Pursuant to the PPP agreement entered into between our Subsidiary, Agilus Pathlabs Reach Limited and the Government of Jharkhand, we operate ten in-hospital clinical laboratories owned by the Government of Jharkhand and undertake at our own costs, the development, engineering, financing, equipping, operation and maintenance of the such facilities. Upon the termination of this agreement in the future, we will be required to transfer the facilities to the Government of Jharkhand. These facilities are advertised under our brand, “*Agilus Diagnostics*”. We also pay an annual concession fee to the Government of Jharkhand against the grant of this PPP contract, which is subject to an annual fee escalation clause. However, we retain the sole right to collect fees for the services provided to patients. Further, under the PPP agreement with the Government of Delhi, we provide diagnostic tests, together with laboratory consumables and our phlebotomists, as required for the collection of specimens by the relevant government health facilities. This agreement contemplates payments to us by such government health facilities on a monthly basis.

In addition, we were the laboratory diagnostics partner for the Indian Olympic Association for the Tokyo 2020 Olympics and have been selected as their laboratory diagnostics partner for the Paris 2024 Olympics.

#### *Laboratories on Franchise Model*

As of March 31, 2023, 37 laboratories out of our total number of 413 laboratories were operated and managed by our franchise partners. Under this model, the laboratories are operated under our brand name, in accordance with our standards of operating procedures and quality controls. Such laboratories are operated pursuant to revenue-sharing arrangements, which are dependent on the revenues for specialized tests versus routine tests performed, as a function of tests performed at the franchisees’ laboratories versus our laboratories. The franchisees are responsible for the costs of operating and maintaining their respective laboratories, including for the purchase of consumables from the list of recommended manufacturers/brands in accordance with the terms of the agreements. Our franchise agreements are effective unless terminated in accordance with the provisions of the agreements.

#### *Laboratories under regional brands*

As of March 31, 2023, we operate certain of our laboratories under our sub-brands due to their popularity in their respective regions across the country, such as “*Dr. Phadke Labs*”, “*R K Diagnostix*” and “*Nidanpath*” in Mumbai, “*Drs. Tribedi & Roy Diagnostic Laboratory*” in Kolkata, “*Matrix*” in Nasik, “*Lifeline Laboratory*” in Delhi and “*DDRC*” in Kerala.

#### *Clinical Trials and Research*

We conduct clinical trials by undertaking diagnostic tests for contract research organizations and pharmaceutical manufacturers. We have conducted feasibility studies for certain clinical trial requests. Further, we completed various evaluation and co-marketing studies in relation to diagnostic kits, technologies and tests during the same period. In addition, we also supported CRO-sponsored clinical trials and provided clinical research studies to pharmaceutical companies which involves services such as site initiation, specimen analysis, reporting, long term specimen storage service, data management, EDI and co-ordination among all parties involved in the study.

### **Logistics and Procedures**

#### ***Logistics***

Our services include: (i) supply of pre-analytical and packing material to all stakeholders in our operational network; (ii) pick-up of specimen from the site of collection and transportation to our clinical laboratories; and (iii) delivery of test results to patients- upon request. In order to maintain specimen integrity, we ensure that the specimens are packed in International Air Transport Association approved packing and are temperature controlled during long distance transportation.

Our operations are serviced through our own in-house and third party logistics team, locations within each catchment area are connected through a logistics network comprising a team of third-party couriers and supported by independent air-freight couriers for longer distance transport. The specimens collected are transported, under the requisite temperature controlled conditions, to our laboratories via airline, road and rail networks.

#### ***Sample Receipt, Registration and Barcoding***

Each of our clinical laboratories has an accession department, where specimens are received from our network

through our internal and external logistics team and home service executives. Specimens delivered to our laboratories are required to be accompanied by a test request form, which includes information such as test to be performed and the necessary demographic, medical and billing information of the patients/customers. Each specimen and its test request form is rechecked for completeness and is then registered into *CLIMS*, our laboratory information management system, if not pre-registered at the time of collecting the specimen. *CLIMS* assigns a unique identification number and barcode to each specimen, which helps control and manage the entire process from specimen collection until the release of the test report. The barcode generated is pasted on to the appropriate patient tubes and the test requisition form. The registration and barcoding is re-checked by a supervisor. Our accession staff follows specimen acceptance and rejection criteria laid down by our quality team, to ensure that poor quality or insufficient specimens are not processed. If the specimens are found to be in order, they are distributed to the relevant department. Further, in the event the specimens are found not to be in order, the patients are notified through email or call for collection of fresh specimens.

### ***Testing Procedures***

A majority of our tests are conducted through fully automated systems. The specimens are placed in the testing equipment, which can take instructions from *CLIMS* after reading the sample barcode and automatically connects to *CLIMS* for patient and test details. Once the equipment concludes the testing, the results are automatically uploaded into *CLIMS* against the relevant barcode. The supervisor of the relevant department closely monitors the results and order re-checks, as needed. Validated results, if relevant, are then transferred into *CLIMS* for a medical review by doctors. Specialty doctors, hematopathologists, pathologists or histopathologists review the results against the patient's history and demographics before authorizing the results. If the results in the report are within the normal reference ranges, the report is auto-authorized by certain of our laboratories and subsequently automatically uploaded for patients/customers to view through website, mobile application, email or WhatsApp and can be downloaded by customers. Reports containing results outside reference ranges are reviewed by the respective doctors prior to being authorized. As part of our standard operating procedure, we select certain test results for re-testing with no additional cost to customers. To facilitate additional tests and re-checks, we store specimens for a specified length of time in accordance with our internal policy. Pursuant to our waste management agreements with authorized third parties, specimens are disposed of through a waste management system that complies with applicable environment and health and safety laws.

### ***Report***

The results from different departments are combined in our system into one test report, which covers result trend analysis and patient specific interpretations and comments by our doctors in some cases. We prepare detailed reports for ease of interpretation by doctors and patients. Once the results are uploaded onto our website, the CTPs or the clinical laboratory that collected the specific specimen, also have access to the reports online. We also offer health reports called "*Smart+ Reports*" that provide detailed insights including diet and lifestyle interventions. We have also implemented quick-responsive (QR) codes on laboratory reports to ensure authenticity.

### ***Sales and Marketing***

As of March 31, 2023, our sales and marketing teams comprised over 500 personnel. Our sales and marketing department is engaged in developing and implementing strategies relating to our services, their pricing and promotion of such services. This team is responsible for generating new business, identifying new opportunities, maintaining existing relationships and generating additional revenues from existing customers. It undertakes planning, budgeting, organizing, implementation, and control of sales programs.

As part of our ethical marketing practices and to disseminate information about new diagnostics modalities and algorithms, in Fiscal 2023, we engaged with various specialist and super-specialist doctors in "Continuing Medical Education". Moreover, we also launched our e-DoS (Directory of Service) in which is a one-stop solution for any test-related query and is accessible through our website.

In addition, we re-launched our loyalty program as *Club Agilus*. Customers are entitled to join this program at no fee and in turn can avail certain privileges such as award of reward points, profile completion and completion of every transaction with us or through other activities which are periodically introduced in the program. These reward points can be subsequently redeemed for discounts and privileges at our diagnostics centers and associated partners.

Further, we have also conducted various health camps in India as well as an "India Fights Diabetes" campaign.

We have also published a video series about “diagnostics intricacies”, hosted by our doctors, which aims to raise awareness about lesser-known diagnostics tests and their uses in patient management and diagnosis. We have held live webinars titled “*Let's Talk INext*” on various social media platforms for World Cancer Day and Breast Cancer Awareness Month in collaboration with a regional newspaper agency.

## **Quality Assurance**

We had the largest network of NABL accredited laboratories in India, as of March 31, 2023 (*Source: CRISIL Report*). As of March 31, 2023, 43 of our laboratories have obtained accreditations from NABL in the field of medical testing. Three of our laboratories in India have also been recognized under the NABL M(EL)T Labs and our laboratories in Mumbai and Dubai have also been accredited by CAP. Moreover, two of our laboratories in India are certified by National Mycobacteriology Certification System of the Central TB Division, Ministry of Health, Government of India for Tuberculosis Drug Susceptibility testing by Liquid Culture. Such accreditations and certifications assist in obtaining referrals from physicians, hospitals and other healthcare service providers, and choosing us as their diagnostics healthcare service provider.

Our quality (audit, compliance and accreditation) teams play a pivotal role in ensuring the implementation of all good laboratory practices, ISO 15189 standards, accreditation guidelines and local regulatory requirements across our laboratories. In order to institute higher level of quality compliance, we follow a concept of “three circles of quality”. Our lab managers and our local business managers oversee the innermost circle where they undertake self-audits of laboratories and sample collection facilities. The second circle is managed by the quality assurance compliance team where they follow an annual calendar of internal audits at all our laboratories and collection points. The third circle is the assessment through external agency audits, including NABL, CAP and any other external audits.

Training (onsite, group training, monthly webinars and online modules) of our phlebotomists, laboratory teams, and channel partners personnel is an integral activity for our quality maintenance. In order to spread awareness on quality among our employees, we issue various newsletters and other publications including the quarterly e-newsletter “Quality Compliance Communique” and our monthly e-poster “Quality Cognizance”. In addition, we are in the process of introducing and implementing the ISO 15189:2022 standard and conduct in-house comprehensive training programs for the new standard across all our internal laboratory stakeholders.

## **Information Technology**

We leverage our information technology (“IT”) capabilities to enable superior care for our patients and convenience at affordable prices. Our IT infrastructure is designed to satisfy the requirements of our operations and support the growth of our business. It helps to ensure the reliability of our operations as well as the security of patient information.

*CLIMS*: We have adopted a standardized system approach for delivering core business services including laboratory, data and billing platforms, through our laboratory management system, *CLIMS*, which completely automates our laboratory operations from sample registration to report delivery. This software aims at providing our customers quality reports with faster TAT. It stores and manages all clinical laboratory data, including patient demographic, reference details and test results. All our clinical laboratories are connected directly to the main data center through Internet Protocol Security (IPSec) network tunnels and other secured network tunnels. CTPs connect to our network via a third-party cloud service. *CLIMS* also integrates SAP ERP Version 6, an enterprise software application. While patient test requests are registered in *CLIMS*, test order details are transferred to SAP through a middleware for billing and other processes. The National Health Authority has also awarded us with the “*ABDM Integration Completion Certificate*” together with “*ABDM Integrated*” logo for successful initial integration of laboratory management system, *CLIMS*, with ABDM.

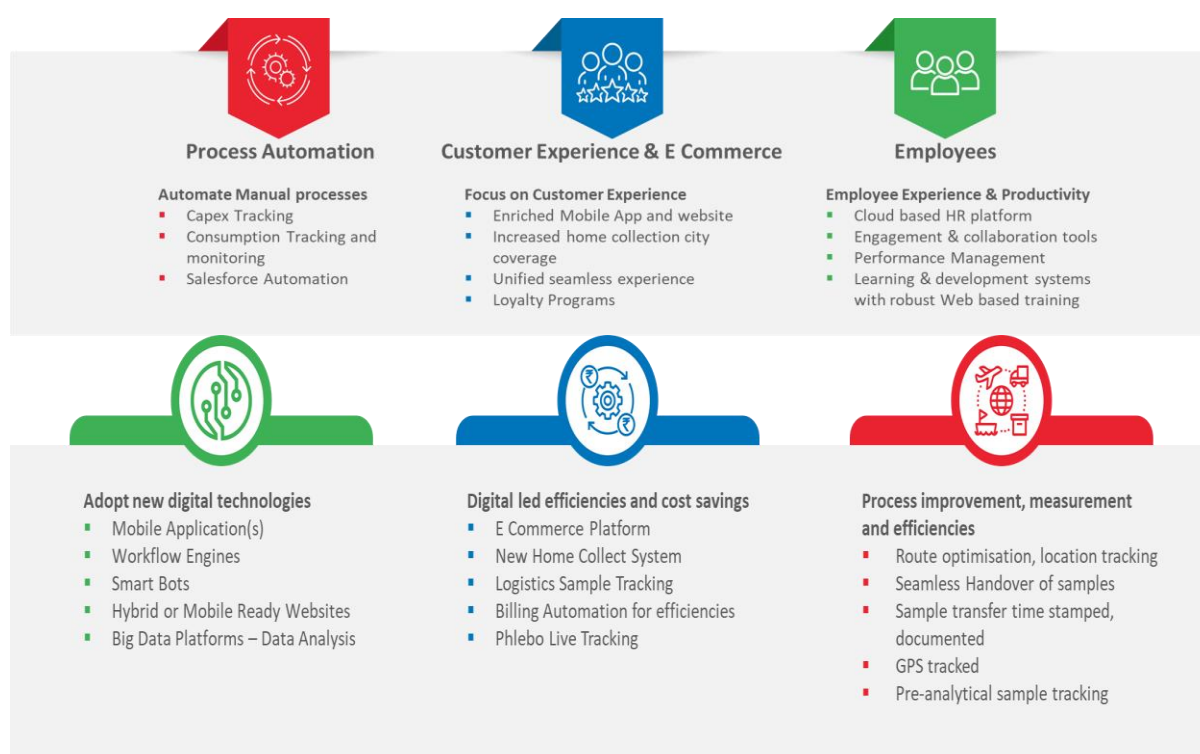
*Data privacy and recovery*: Data security and privacy of customer data is an integral part of our information management. Customer demographic and test results captured as part of the registration and testing process are stored in a highly secure network and server within our designated datacenter/laboratories, which are assessable only to authorized personnel. We ensure data loss prevention, data protection and business continuity through streamlined backup, high availability of redundant application/database servers, dedicated disaster recovery infrastructure and other strategies including advanced AES 256 bit encryption technologies. Backups are taken at regular intervals and stored at multiple locations enabling point in time data recovery. In Fiscal 2023, our IT systems located in Mumbai at Maharashtra and Gurugram at Haryana at “Datacenters” were recertified for ISO

27001: 2013.

*Process automation:* We have developed several software tools that take care of small to medium process automation. This includes customer relationship management (CRM) or service operation, workflow automation system and human resource management system (HRMS) for appraisals as well as ensuring maximum productivity of our team and enabling them to perform skilled tasks.

*Data collection and analytics:* We capture and store a considerable amount of demographic data and test results in our secured servers during the registration and testing process. Periodic analysis of this data gives us insights into the prescription patterns and seasonal trends which helps us to improve our operational efficiency. Analytics also helps us to offer bundled wellness and preventive packages to our customers, which improves our economies of scale.

Set out below are certain key aspects of our technology infrastructure:



## Research and Development

The primary focus of our R&D division is to expand contract research activities fostering specialized business areas such as genomics, biotechnology and next generation diagnostics. Our R&D team undertakes clinical research studies, co-marketing projects, contract evaluation, and collaborations. In Fiscal 2023, we launched the TB whole genome sequencing test. Further, in Fiscal 2023, we collaborated for beta testing of the innovative *Universal Identification* test based on the 4<sup>th</sup> generation sequencing technology, i.e., *NANOPORE*. Certain recent undertakings by our R&D division are set out below:

- *Central evaluation of kits/reagents for Indian manufacturers on demand:*

The following two tests/technologies were undertaken and concluded: (a) Electrolyte Analyzer, DiaSys Diagnostics India Private Limited; and (b) Molecular Assay kit for Sepsis and Antimicrobial Resistance genes testing, GeNei Laboratories Private Limited.

- *Execution of clinical trials/Co-marketing studies:*

We undertook a comparison of antibiotic susceptibility of “Nadifloxacin” with commonly isolated aerobic micro-organisms, which was a study sponsored by the Dr. Reddy’s Laboratories. Further, we carried out a growth factor estimation in “Platelet Rich Plasma” using four different brands of PRP vacutainers, which was



a study sponsored by Wockhardt Regenerative.

Our skilled medical and scientific team includes distinguished individuals. For instance, Dr. Avinash Phadke is the President – Technical and Mentor (Clinical Pathology). He has been associated with our Company for 13 years. He has experience as a pathologist and is responsible for the functioning of pathology services of our Company. Dr. Anurag Bansal is the Technical Director – Agilus Fortis Labs and Agilus Labs (North and East) and Director – Lab Operations Gurgaon Reference Laboratory. He has been associated with our Company for more than four years. He has experience in haematology and is responsible for the lab operations in our Company. Dr. Ajay Phadke is the Director – Strategic Business Development. He has been associated with our Company for 11 years and is responsible for the strategic business development of our Company. Dr. Abha Kullar Sabhikhi is the Advisor and Mentor - Technical COE & Academics. She has been associated with our Company for more than 15 years and is responsible for the pathology department of our Company. Dr. Deepakkumar Ramniklal Sanghavi. He is the Vice President & Chief of Mumbai Reference Lab. He oversees the lab operations including hematology, flow cytometry, chemistry (routine, special and analytical chemistry), ELISA, IFA, allergy, maternal screening, therapeutic drug monitoring and test method validation. He has been associated with our Company for the last two years. Narinder Kumar Mehra is the Mentor HLA and Transplant Immunology. He has industry experience and is an acclaimed expert in the area of transplant immunology and clinical immunogenetics. He has been associated with our Company for more than seven years and is responsible for the HLA, transplant immunology and clinical immunogenetics department of our Company.

### **Equipment Maintenance**

We do not own majority of our laboratory equipment and instead typically source them on a placement basis from various vendors under equipment and product supply agreements or reagent purchase agreements with terms ranging between one and seven years. In certain cases, where we purchase the equipment, we are typically provided with a 12-month supplier warranty for any defects, malfunctions and repairs required. We also enter into annual maintenance contracts or comprehensive maintenance contracts for most of our equipment with the respective manufacturers or their authorized dealers, under which the manufacturer or dealer is responsible for the maintenance and repair of equipment. In addition, such maintenance contracts make the manufacturer or dealer responsible for replacing spare parts at their own cost.

### **Competition**

The diagnostics services industry is highly competitive. The diagnostics chains face competition among themselves in terms of patient sample volumes and aggressive pricing of tests, impacting their profitability (*Source: CRISIL Report*). We compete with various smaller, independent clinical laboratories as well as laboratories owned by hospitals and physicians including standalone regional and national players. According to the CRISIL Report, some of the largest competitors include Dr Lal PathLabs Limited and Metropolis Healthcare Limited. For further information, see “*Industry Overview*” on page 121.

We believe that our focus on innovation, patient-centric initiatives and affordable pricing provide us a competitive advantage over the other players in the diagnostics industry.

### **Intellectual Property**

We have applied for the registration of trademarks in relation to our new brand name and logo, “*Agilus Diagnostics*” and “*Agilus*” which is currently objected/opposed. Please also see “*Risk Factors - Our trade mark applications in relation to our new brand, “Agilus Diagnostics” and “Agilus” are not yet registered, and some have been objected/opposed by other parties. Any inability to obtain registration or otherwise protect our intellectual property rights, or any exposure to misappropriation and infringement claims by third parties, could have an adverse effect on our business, reputation, financial condition and results of operations.*” on page 38. Further, as of date of this Draft Red Herring Prospectus, we have 48 registered trademarks under the Trade Marks Act, 1999 under various classes, which presently we do not use for our business operations. Further, we have five registered copyrights under the Copyright Act, 1957 in relation to our computer software.

### **Environment, Health and Safety Matters**

We are committed to our sustainability roadmap with the aim to reduce our carbon footprint. We place key focus on energy management across all our facilities and carry out regular monitoring of energy consumption trends for key centers. We leverage our latest technology to achieve energy conservation and subsequent savings.

In addition, we have undertaken steps for utilizing alternate sources of energy and have undertaken capital investment on energy conservation equipment. These include a transition to the latest VRV technology, installation of capacitor banks, timer-based AC operation, a transition to the latest rotary type compressor, a transition to modular UPS, installation of LEDs and planned preventive maintenance of electrical utilities.

We are subject to Indian laws and regulations relating to the protection of the environment, human health and safety, and laws and regulations relating to the handling, transportation and disposal of medical specimens, infectious and hazardous waste and radioactive materials. All our laboratories are subject to applicable laws and regulations relating to biohazard disposal of all laboratory specimens. For further information, see “*Key Regulations and Policies*” on page 192.

### **Corporate Social Responsibility**

In accordance with the Companies Act, 2013 and the rules thereunder, we have a formal Corporate Social Responsibility (“**CSR**”) policy, approved by our Board of Directors. Our CSR policy strives towards building and sustaining a healthier populace. The policy elucidates the concept of growing our business in a socially and environmentally responsible manner, actively empowering communities and driving social development and positive change.

In Fiscals 2021, 2022 and 2023, we spent ₹29.55 million, ₹40.86 million and ₹51.27 million, respectively, towards our CSR initiatives. In Fiscal 2023, our Company contributed ₹50.97 million to IIT Madras for the Sudha Gopalakrishnan Brain Centre, In Fiscal 2022, our Company contributed our CSR fund to “PM CARES Fund” which has the primary objective of dealing with and providing relief to emergency or distress situations, such as the COVID-19 pandemic. Further, our Company contributed ₹22.10 million to the Indian Council of Medical Research in Fiscal 2021.

### **Employees**

As of March 31, 2023, we had a total of 7,061 employees, including 438 doctors, 4,176 technicians and paramedical staff and 2,447 support staff located in India, and 84 full-time employees located outside India. As of the same date, 48.14% of our total employees were women. Out of our 438 doctors, 336 doctors are engaged as consultants with our Company as of March 31, 2023. As of the date of this Draft Red Herring Prospectus, none of our employees were members of labor unions.

Set out below are our employee details as of March 31, 2023:

<b>Employee function</b>	<b>Number of employees</b>
Lab Operation	6,033
Imaging	300
Sales and marketing	506
Other functions	222
<b>Total</b>	<b>7,061</b>

### ***Training and Development***

We undertake regular training of our phlebotomists, laboratory teams including technicians, and channel partners which includes our franchisees using onsite, group training, monthly webinars and online modules. We undertake various training and development initiatives such as: (i) *Nneev*, a training program, focused on the on-boarding of new employees and providing a business/functions overview and technical training to the laboratory operations team; (ii) *Tech Talk*, for our technical team members focused on knowledge and insights across departments and is typically conducted by technologists under the guidance of the laboratory heads; and (iii) *Mission Shunya* program, which is focused on educating our technologists and other staff to reduce pre-analytical errors. We also maintain a focus on ensuring a safe workplace for our employees and regularly organize seminars/ online refreshers on the prevention of sexual harassment-related practices.

### **Insurance**

Our laboratories, diagnostics centers and other office locations, including our Registered Office and Corporate Office, are insured against fire, riots and certain special perils, including earthquakes and terrorism damage. We

also have several other insurance policies covering our employees against loss of life, accidents and medical claims, equipment and machinery, money-transit, fidelity guarantee and statutory employee liability insurance, risks relating to computer systems equipment including data breach and cyber-attack, burglary causing loss of inventory, and uncertain claims from customers and external entities. We have also procured professional indemnity, errors and omissions policy, directors' and officers' liability insurance policy for claims made against our employees, directors and officers.

### **Property**

Our Company's Registered Office is located at Fortis Hospital, Sector-62, Phase-VIII, Mohali - 160062, Punjab, India and our Corporate Office is located at 306, Tower-A, 3rd Floor, Unitech Cyber Park, Sector-39, Gurugram – 122 002, Haryana, India. Our Registered Office is owned by Escorts Heart and Super Specialty Hospital Limited, a member of our Promoter Group, which is occupied by us on a leasehold basis. In this regard, our Company and Escorts Heart and Super Specialty Hospital Limited have entered into a lease deed dated September 25, 2023 which is valid for a period of 11 months. See *“Risk Factors – Internal Risks - Our Registered Office, Corporate Office and most of our laboratories and other facilities are not owned by us and are leased by us. Any failure to enforce or renew our lease agreements, may have an adverse impact on our business, results of operations and financial condition”* on page 59. As of March 31 2023, apart from our GRL in Mumbai and a patient service centre in Kolkata, all other laboratories and patient service centers are operated pursuant to lease or leave and license agreements.

## KEY REGULATIONS AND POLICIES

Given below is a summary of certain major sector specific and relevant statutes, rules and/or policies, which are applicable to our business operations in India. Taxation statutes such as the Income-tax Act, 1961, Customs Act, 1962, the Central Goods and Service Tax Act, 2017, and other miscellaneous regulations and statutes apply to us as they do to any Indian company.

The information in this section has been obtained from various statutes, rules and/or local legislations available in the public domain. The description of the applicable statutes, rules and/or local legislations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The indicative summary is based on the current provisions of applicable law, which are subject to change or modification or amended by subsequent legislative, regulatory, administrative, or judicial decisions.

Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For details, see the section titled "Government and Other Approvals" on page 375.

### Key Legislations Applicable to our Company and Material Subsidiaries

#### ***The Clinical Establishments (Registration and Regulation) Act, 2010 ("CERR Act")***

The CERR Act is a central legislation which provides for the registration and regulation of clinical establishments. Defined under the CERR Act, a clinical establishment includes a place established in connection with the diagnosis or treatment of diseases where pathological, bacteriological, genetic, radiological, chemical, biological investigations or other diagnostic or investigative services with the aid of laboratory or other medical equipment, are usually carried on. The CERR Act mandates the registration of a clinical establishment. Every clinical establishment is mandated to obtain a certificate of provisional registration and thereafter, upon fulfilment of prescribed standards, a certificate of permanent registration from the district registering authority which is valid for five years from the date of issue. Further, the councils established at the national and state levels under the CERR Act are, *inter alia*, required to maintain registers, develop and periodically review the minimum standards to be followed by the clinical establishments and hearing appeals against orders of the district registering authority.

In addition, most of the States in India where we operate have legislated their own clinical establishment laws. These legislations are *inter alia* the (i) Bombay Nursing Homes Registration Act, 1949; (ii) West Bengal Clinical Establishments (Registrations, Regulation and Transparency) Act, 2017; (iii) Tamil Nadu Clinical Establishments (Regulation) Act, 1997; (iv) Punjab State Nursing Home Registration Act, 1991, (v) Delhi Nursing Homes Registration Act, 1953 and (vi) Karnataka Private Medical Establishments Act, 2007, as amended.

#### ***The Clinical Establishments (Central Government) Rules, 2012 ("CECG Rules")***

The CECG Rules *inter alia* provide for conditions for registration and continuation of clinical establishments. In terms of the CECG Rules, clinical establishments are required to (i) charge rates for each type of procedure and service within the range of rates determined by the Central Government, (ii) display the rates in a local language as well as in English language in a conspicuous place, (iii) ensure compliance with the standard treatment guidelines issued by the Central Government and state governments, (iv) maintain electronic medical and health records of patients and statistics.

The Ministry of Health and Family Welfare ("MHFW") *vide* its notifications dated May 18, 2018 and February 14, 2020 amended the CECG Rules. Through the amendment in 2018, the MHFW introduced minimum standards for medical diagnostic laboratories (or pathological laboratories), stipulated that each clinical establishment undertaking diagnosis or treatment of diseases, pathological, bacteriological, genetic, radiological, chemical, biological investigations or other diagnostic or investigative services should carry on such services with the aid of laboratory or other medical equipment, to comply with the minimum standards of facilities and services. Through the amendment in 2020, the MHFW substituted schedule III relating to human resources and modified the specifications therein.

Certain States in India have framed rules under the CERR Act or under the respective state legislations for clinical establishments, prescribing *inter alia* the powers of the registration authority, procedure for registration of clinical establishments and applicable fee.

***The Preconception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 (“PCPNDT Act”)***

The PCPNDT Act was enacted to provide for the prohibition of sex selection, before or after conception and for the regulation of pre-natal diagnostic techniques for the purposes of detecting genetic abnormalities or metabolic disorders or chromosomal abnormalities or certain congenital malformations or sex-linked disorders and for the prevention of their misuse for sex determination leading to female foeticide. The PCPNDT Act regulates the registration of genetic counselling centres, laboratories or clinics, and lays down conditions for performing pre-natal diagnostic techniques. The PCPNDT Act prohibits any person, organisation, including genetic counselling centre, laboratory or clinic from issuing, publishing or distributing any advertisement regarding facilities of pre-natal determination of sex at the genetic counselling centres, genetic laboratories or genetic clinics. The central supervisory board constituted under the PCPNDT Act is authorised to lay down a code of conduct to be observed by persons working in any genetic counselling centre, genetic laboratory or genetic clinic. The appropriate authority appointed by Central Government and the respective State Governments are conferred with powers *inter alia* to grant, suspend or cancel the registration certificate of a genetic counselling centre, laboratory or clinic. The PCPNDT Act lays down instances under which penal action may be taken against genetic counselling centres, genetic laboratories and genetic clinics including non-registration, communicating to the pregnant woman concerned or her relatives or any other person the sex of the foetus by words, signs or in any other manner by the person conducting pre-natal procedures or any other person. Contravention of any of the provisions of the PCPNDT Act shall be punishable with imprisonment for a term which may extend to three years and with fine which may extend to ten thousand rupees and on any subsequent conviction, with imprisonment which may extend to five years and with fine which may extend to fifty thousand rupees. The PCPNDT Act was amended by the Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Amendment Act, 2002.

***The Preconception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Rules, 1996 (“PCPNDT Rules”)***

The PCPNDT Rules prescribe qualifications of employees, requirement of equipment for a genetic counselling centre, genetic laboratory, genetic clinic, ultrasound clinic and imaging centre. The PCPNDT Rules stipulate the format in which an application for registration should be made by such centre, laboratory or clinic before the appropriate authority appointed under the PCPNDT Act and lays down the manner in which records are to be maintained and preserved by such genetic counselling centre, genetic laboratory or genetic clinic. The PCPNDT Rules provide for a code of conduct and conditions to be followed by owners, employees or any other persons associated with a genetic counselling centre, genetic laboratory and genetic clinic registered under the PCPNDT Act.

***National Accreditation Board for Hospitals and Healthcare Providers (“NABH”) Policies***

NABH is a constituent board of the Quality Council of India, set up to establish and operate accreditation programme for healthcare organisations. NABH is structured to cater to much desired needs of the consumers and to set benchmarks for progress of health industry. NABH undertakes the accreditation of hospitals and healthcare organisations through certain policies including the policies & procedures for assessment, surveillance and reassessment of healthcare organisations, policy and guidelines for use of NABH accreditation/ certification mark. NABH offers a certification programme for laboratories that conduct biological, microbiological, immunological, chemical, haematological, pathological, cytological or other examination of materials derived from the human body for the purpose of providing information for the diagnosis, prevention and treatment of disease.

***National Accreditation Board for Testing and Calibration Laboratories (“NABL”)***

NABL is an autonomous body established under the aegis of the Department of Science and Technology, Government of India. NABL provides the government, regulators and the diagnostic industry with a set of policies for laboratory accreditation through third-party assessment including policy on accreditation process and procedure, specific criteria for accreditation of calibration laboratories (mechanical, fluid flow, radiological, electro-technical & thermal calibration). Through these measures, NABL formally recognizes the quality and technical competence of testing and calibration laboratories in accordance with international standards ISO 15189: 2012. NABL certification is a mandatory eligibility condition for diagnostic centres to be empanelled under the

Central Government Health Scheme. Diagnostic laboratories which are not accredited by NABL may also participate in application and get empanelled under the Central Government Health Scheme but their empanelment is provisional till they are inspected by the Quality Council of India or NABL and are recommended for continuation of empanelment under the Central Government Health Scheme, however, there is no legal obligation to obtain certification from NABL.

### ***ICMR Guidelines for Good Clinical Laboratory Practices, 2021 (“GCLP Guidelines”)***

The GCLP Guidelines issued by the Indian Council of Medical Research (“ICMR”) are with the objective of promoting uniformity in maintaining quality of laboratory services. The first GCLP guidelines were issued in the year 2008. The GCLP Guidelines are a set of principles that define the quality system for the organisational process and conditions under which laboratory studies are planned and performed. The GCLP Guidelines aim to establish minimum criteria which should be followed by clinical and research laboratories involved in examining human samples, in routine healthcare delivery and clinical research, respectively. The GCLP Guidelines regulate the (i) infrastructure, (ii) personnel training, (iii) equipment, (iv) examination processes, (v) sample storage and disposal, (vi) safety and hygiene measure, (vii) ethical considerations, and (viii) quality control and management.

### ***The Atomic Energy Act, 1962 (“AE Act”)***

In order to ensure the safe disposal of radioactive waste and public safety, including that of persons handling radioactive substances, the AE Act empowers the Central Government to regulate the disposal of minerals, concentrates and other materials which contain uranium in excess of the prescribed proportion. The AE Act states that the Central Government may prohibit acquisition, production, possession, use, disposal, export or import of any prescribed equipment or substance, except under a license granted by it to that effect. Further, the AE Act enables the Central Government to make rules regarding premises or places where radioactive substances are manufactured, produced, mined, treated, stored or used or radiation generating plant, equipment or appliance is used. Where an offence under the AE Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly. The AE Act was amended in 2015 vide the Atomic Energy (Amendment) Act, 2015.

### ***The Atomic Energy (Radiation Protection) Rules, 2004 (“AERP Rules”)***

The AERP Rules stipulate that every person intending to use any radioactive material for any purpose, in any location and in any quantity, has to comply with the requirements of AE Act. The AERP Rules mandate every person handling radioactive material or operating any radiation generating equipment to apply for a license which may be subsequently modified, revoked or withdrawn at the discretion of the competent authority and such license is valid for a period of five years from the date of its issue. The AERP Rules lay down conditions precedent to the issue of a license as well as various compliance measures regarding *inter alia* maintenance of radiation protection equipment and health surveillance of workers. The AERP Rules also prescribe certain general safety guidelines, directives for emergency preparedness and accidents.

The AERP Rules also require every licensee to comply with the surveillance procedures, safety codes and safety standards specified by the Atomic Energy Regulatory Board (“AERB”). Every license issued, unless otherwise specified, is valid for a period of five years from the date of issuance of such license. The AERP Rules provide for radiation surveillance requirements that provide that the siting, design, construction, commission, operation, servicing and maintenance and decommissioning of facilities involving the use of radiation should be done in accordance to the specifications laid down by competent authority in the relevant safety codes and standards; the workers should be subjected to personnel monitoring and health surveillance and appropriate record of the same to be maintained; the transport of radioactive material in public domain should be in accordance to the relevant regulations pertaining to transport by different modes; and appropriate quality assurances of the premises must be maintained.

### ***The Atomic Energy (Safe Disposal of Radioactive Wastes) Rules, 1987 (“AE Rules”)***

The AE Rules have been framed to ensure the safe disposal of radioactive wastes. Under the AE Rules, an authorization from the competent authority as per the prescribed procedure is necessary for any person to dispose of radioactive waste, and the waste may only be disposed off in accordance with the terms and conditions of such authorization. The competent authority constituted under AE Act can suspend, cancel authorisation in event that

the authorised person fails to comply with the conditions of the authorisation or with any provisions of the AE Act or the AE Rules. The AE Rules lay down specific duties for the authorised person and various safety measures to be adhered to for discharging radioactive waste and the procedure to be followed in the event of accidental release. Further, records are required to be maintained all disposals and handling of radioactive waste and the persons carrying it out.

***The Radiation Surveillance Procedure for Medical Applications of Radiation, 1989 (“Surveillance Procedures”)***

The Surveillance Procedures seek to ensure that procedures and operations involving radiation installation, radiation equipment and radioactive materials are performed in conjunction with a pre-planned surveillance programme approved by the competent authority to ensure adequate protection. Any person desirous of handling any radioactive material or radiation equipment is required to obtain prior permission in the form of either a license or an authorization from the competent authority. The Surveillance Procedures prescribe the working conditions that are to be ensured at every medical radiation installation and provide safety guidelines regarding, *inter alia*, design safety of equipment, planning of radiation instalments, commissioning of radiation equipment or installations, maintenance of records and isolation and disposal of radioactive effluents or damaged radioactive material.

***Atomic Energy Regulatory Board – Safety Code for Manufacture, Supply and Use of Medical Diagnostic X-Ray Equipment dated October, 2016 (“X-ray Code”)***

The X-Ray Code, issued by the AERB, governs radiation safety in design, installation and operation of X-ray generating equipment for medical diagnostic purposes. The X-Ray 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 employer, employee and end user of medical X-ray installation equipment to ensure compliance with the stipulated provisions. The X-Ray 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 Code, including in relation to location and orientation.

***Atomic Energy Regulatory Board – The Safety Code for Nuclear Medicine Facilities, 2011 (“Nuclear Medicine Facilities Code”)***

The Nuclear Medicine Facilities Code, issued by the AERB, governs the operations of a nuclear medicine facility from the setting up to decommissioning of such facility. Nuclear medicine utilizes radio-pharmaceuticals to investigate disorders of anatomy, physiology and patho-physiology, for diagnosis or treatment of diseases or both. The Nuclear Medicine Facilities Code stipulates that a nuclear medicine facility can be commissioned, decommissioned or re-commissioned only with the prior approval of the AERB. The Nuclear Medicine Facilities Code further stipulates that radioactive material can only be procured after obtaining a license from the AERB. In addition to this, the Nuclear Medicines Facilities Code stipulates the requisite qualifications and responsibilities of employers, licensees, nuclear medicine physicians and technologists and the radiological safety officers. The Nuclear Medicines Facilities Code also provides a framework for preparing an emergency preparedness plan to deal with a radiation emergency.

***Epidemic Disease Act, 1897 as amended by the Epidemic Diseases (Amendment) Act, 2020 (“Epidemic Diseases Act”)***

The Epidemic Diseases Act is a central legislation that provides for the prevention of spread of a dangerous epidemic disease. It prescribes certain powers to the State government and Central Government to take special measures to prevent the spread of epidemic diseases. The Epidemic Diseases Act lays down certain enforcement measures which the State government can take to protect clinical establishments and healthcare service personnel from acts of violence including levying penalty and punishment.

***Guidelines relating to import of blood samples***

The Guidelines for Exchange of Human Biological Material for Biomedical Research Purposes issued by the Central Government on November 19, 1997 authorise the ICMR to set up a committee for consideration of proposals relating to the import of biological materials, such as blood samples, for commercial purposes and/or evaluation of cases involving transfer of infectious biological material, human biological waste or other cases for commercial purposes from foreign research centres to Indian diagnostic laboratories.

### ***The Transplantation of Human Organs Act, 1994 (“Transplantation Act”)***

An act to provide for the regulation of removal, storage and transplantation of human organs for therapeutic purposes and for the prevention of commercial dealings in human organs. As per the Transplantation Act, a hospital which is engaged in the removal, storage or transplantation of human organs must be registered under the Transplantation Act. The Central Government and State Government are empowered to constitute an appropriate authority to regulate the grant of registration, enforce standards, investigate complaints and inspect hospitals.

### ***The Medical Termination of Pregnancy Act, 1971 (“MTP Act”)***

An act to provide for the termination of certain pregnancies by medical practitioners. The Act stipulates the timelines and conditions for the termination of pregnancies. The MTP Act was further amended in 2021 pursuant to the Medical Termination of Pregnancy (Amendment) Act, 2021. The MTP Act is to be read with the Medical Termination of Pregnancy Rules, 2003 (“**MTP Rules**”). The MTP Rules stipulate the constitution of a district committee to perform certain functions and lay down the conditions for registration of places for conducting termination and their cancellation.

### **Key environmental legislations**

#### ***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. EP Act empowers the Central Government and State Government to take all measures to protect and improve the quality of environment, such as laying down standards for emission and discharge of environmental pollutants. It is in the form of an umbrella legislation designed to provide a framework for Central Government to coordinate the activities of various central and state authorities established under previous laws. Further, the EP Rules specify, *inter alia*, the standards for emission or discharge of environmental pollutants and restrictions on the handling of hazardous substances in different areas. The EP Rules have been amended pursuant to the Environment Protection (Second) Amendment Rules, 2022. 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.

#### ***Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”) and Air (Prevention and Control of Pollution) Rules, 1982 (“Air Rules”)***

The Air Act was enacted to provide for the prevention, control and abatement of air pollution in India. It is a specialised legislation which was enacted to take appropriate steps for the preservation of natural resources of the earth, which among other things include the preservation of the quality of air and control of air pollution. The Air Act requires that establishments must apply for and obtain consent from the State pollution control board (“**State PCB**”) prior to commencing any activity. We are required to obtain consents under the Air Act.

#### ***Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”) and Water (Prevention and Control of Pollution) Board, 1975 (“Water Rules”)***

The Water Act was enacted to control and prevent water pollution and for maintaining and restoring of wholesomeness of water in the country. The Water Act was enacted to control and prevent water pollution and for maintaining or restoring the purity of water in India. The objective of this legislation is to ensure that domestic and industrial pollutants are not discharged into streams and wells without adequate treatment. The Water Act requires that establishments must apply for and obtain consent from the State PCB prior to commencing any activity or opening of any new outlets or discharges, which are likely to discharge sewage or effluent. We are required to obtain consents under the Water Act.

#### ***The 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 authorization 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



proving 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 authorization, 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.

### ***Drugs and Cosmetics Act, 1940 (“Drugs Act”)***

The Drugs Act regulates the import, manufacture, distribution and sale of drugs and cosmetics. As per the Drugs Act, drugs include all medicines for internal and external use, substances used for diagnosis and treatment and cosmetics means any articles to be rubbed, poured, sprinkled or sprayed on the human body for altering appearance. The Drugs Act lays down certain standards of quality for drugs and cosmetics to be imported, manufactured, sold and distributed, respectively. The Drugs Act also lays down penalties for certain offences.

### **Key labour-related legislation**

The various labour and employment related legislations 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, among others, the following: (i) Contract Labour (Regulation and Abolition) Act, 1970; (ii) relevant State specific shops and commercial establishment legislations; (iii) Employees’ Provident Funds and Miscellaneous Provisions Act, 1952; (iv) Employees’ State Insurance Act, 1948; (v) Minimum Wages Act, 1948; (vi) Payment of Bonus Act, 1965; (vii) Payment of Gratuity Act, 1972; (viii) Payment of Wages Act, 1936; (ix) Maternity Benefit Act, 1961; (x) Apprenticeship Act, 1961; (xi) Equal Remuneration Act, 1976; (xii) Employees’ Compensation Act, 1923; and (xiii) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes, which will be brought into force on a date to be notified by the Central Government:

- (a) **Code on Wages, 2019**, which regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. The Central Government has notified certain provisions of the Code on Wages, mainly in relation to the constitution of the central advisory board.
- (b) **Industrial Relations Code, 2020**, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes and simplifies the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.
- (c) **Code on Social Security, 2020**, which amends and consolidates laws relating to social security, and subsumes various social security related legislations, inter alia including the Employee’s State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, Building and Other Construction Workers’ Welfare Cess Act, 1996 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organisations such as the Employee’s Provident Fund Organisation and the Employee’s State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others.
- (d) **The Occupational Safety, Health and Working Conditions Code, 2020**, consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces 13 old central labour laws including the Factories Act, 1948, Contract Labour (Regulation and Abolition) Act, 1970, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.

Certain portions of the Code on Wages, 2019 and Code on Social Security, 2020, have come into force upon notification by the Ministry of Labour and Employment. The remaining provisions of these codes shall become effective as and when notified by the Government of India.

### **Foreign Investment Laws**

Foreign investment in India is governed by the provisions of the FEMA Non-Debt Instruments Rules along with the FDI Policy issued by the DPIIT, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India. The DPIIT on October 29, 2020, has issued the consolidated Foreign Direct Investment Policy of 2020, which lays down certain guidelines and conditions for foreign direct investment in various sectors.

Foreign trade in India is governed by the provisions of the Foreign Trade (Development and Regulation) Act, 1992 (“**FTA**”), read along with the Foreign Trade (Regulation) Rules, 1993, provide for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTA authorize the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The FTA read with the Foreign Trade Policy, 2023, prohibit anybody from undertaking any import or export except under an importer-exporter code (“**IEC**”) number granted by the Director General of Foreign Trade.

### **Overseas Direct Investment (“ODI”)**

RBI and Ministry of Finance (“**MoF**”) has combined erstwhile FEMA (Transfer or Issue of Foreign Security) Regulations, 2004 and FEMA (Acquisition and Transfer of immovable property outside India) Regulations, 2015 into FEMA (Overseas Investment) Regulations, 2022, FEMA (Overseas Investment) Rules, 2022 and Foreign Exchange Management (Overseas Investment) Directions, 2022, in terms of which an Indian entity is allowed to make ODI under the automatic route up to limits prescribed by the RBI, which currently should not exceed 400% of its net worth as on the date of the last audited balance sheet.

### **Other applicable legislations**

#### ***Consumer Protection Act, 2019 (“CPA”)***

The CPA, which repealed the Consumer Protection Act, 1986, was enacted to provide for protection of the interests of consumers and for the said purpose, to establish authorities for timely and effective administration and settlement of consumers' disputes. Further, the definition of “consumer” has been expanded under the CPA to include persons engaged in online and offline transactions through electronic means or by tele-shopping, or direct-selling or multi-level marketing. The CPA empowers the Central Government to constitute the Central Consumer Protection Authority to be known as the Central Authority to regulate matters relating to the violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of the public and consumers, and to promote, protect and enforce the rights of consumers as a class, and conduct inquiries or investigations under the CPA. In cases of manufacturing for sale or storing, selling or distributing or importing products containing an adulterant, the imprisonment may vary between six months to seven years and fine between one lakh to ten lakh depending upon the nature of injury to the consumer.

#### ***Trade Marks Act, 1999 (“Trademarks Act”) and the Trade Marks Rules, 2017 (“Trademarks Rules”)***

The Trademarks Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement of such marks. The Trademarks Act permits registration of trademarks for goods and services and prohibits any registration of deceptively similar trademarks or compounds, among others. It also covers infringement of trademarks and falsifying and falsely applying for trademarks. As per the Trademarks Act, any person found to be falsifying trademarks shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to three years and with fine which shall not be less than fifty thousand rupees but which may extend to two lakh rupees. The Trademarks Rules provide for *inter alia* the procedures for filing an application for registration of trademarks to the Trade Marks Registry (“**Registry**”) and for filing an opposition to any application for registration of a trademark.

### ***The Patents Act, 1970 (“Patents Act”)***

The Patents Act governs the patent regime in India. A patent is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, for excluding others from making, using, selling and importing the patented product or process or produce that product. In addition to the broad requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

### ***Information Technology Act, 2002 (“IT Act”) Information Technology (Reasonable security practices and procedures and sensitive personal data on information) Rules, 2011 (“IT Rules”)***

The IT Act and IT Rules aim to protect sensitive personal data such as medical records and history which is collected by an individual or a person who is involved in commercial or professional activities. Further, the IT Rules pose an obligation on such persons to provide a privacy policy for handling of or dealing in sensitive personal data. Such policy should be made available and should also be published on the website of the persons collecting such information.

### ***The Digital Personal Data Protection Act, 2023 (“Data Protection Act”)***

The Data Protection Act provides for collection and processing of digital personal data by companies. According to the Data Protection Act, the individual to whom the data relates is termed as the data principal and any person who determines the purpose and means of processing of personal data is a data fiduciary. The Central Government may notify any data fiduciary or class of data fiduciaries as a significant data fiduciary, based on an assessment of such relevant factors as it may determine. These significant data fiduciaries will be required to fulfil certain additional obligations under the Data Protection Act including appointment of a data protection officer who will be the point of contact between such fiduciaries and individuals for grievance redressal. Further such data fiduciaries will also be required to appoint an independent data auditor who will evaluate their compliance with the Data Protection Act. The provisions of the Data Protection Act shall come into force upon being notified by the Central Government.

### ***Other Indian laws***

In addition to the above, our Company is also required to comply with other applicable laws and regulations imposed by the Central and State Governments and other authorities for its day-to-day operations, including the Companies Act and rules framed thereunder, various central and state tax laws, municipal laws, fire safety laws and legal metrology laws, to the extent applicable.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was originally incorporated as “Specialty-Ranbaxy Private Limited” in Delhi, a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated July 7, 1995 issued by the Registrar of Companies, N.C.T. of Delhi and Haryana at New Delhi. On March 30, 1996, our Company became a deemed public limited company and the endorsement to this effect was made on March 30, 1996 on the original certificate of incorporation dated July 7, 1995. The name of our Company was first changed to “SRL Ranbaxy Limited” pursuant to a special resolution dated June 3, 2002 and the certificate of incorporation dated December 13, 2002 issued by the Registrar of Companies, N.C.T. of Delhi and Haryana at New Delhi. This change was consequent to the termination of the joint venture agreement with Specialty Laboratories Asia Pte. Limited and Ranbaxy Laboratories Limited on January 18, 2002. Thereafter, the name of our Company was changed to “Super Religare Laboratories Limited” pursuant to a special resolution dated August 14, 2008 and the certificate of incorporation dated August 28, 2008 issued by the Registrar of Companies, N.C.T. of Delhi and Haryana at New Delhi, to reflect the correct identity and business of the Company. The name of our Company was further changed to “SRL Limited” pursuant to the special resolution dated June 28, 2012 and the certificate of incorporation dated July 6, 2012 issued by the Registrar of Companies, N.C.T. of Delhi and Haryana at New Delhi, to reflect the abbreviation of our previous name. Recently, the name of our Company was changed to its present name, “Agilus Diagnostics Limited”, pursuant to a special resolution dated May 21, 2023 and the fresh certificate of incorporation dated May 31, 2023 issued by the Registrar of Companies, Punjab and Chandigarh at Chandigarh, consequent to the expiry of the brand license agreement dated November 10, 2015.

### Changes in the registered office of our Company

Except as disclosed below, our Company has not changed its registered office since its incorporation.

Date of change	Details of change	Reasons for change
May 8, 2002	The registered office of our Company was changed from 25, Nehru Place, New Delhi, 110019, India to B-9, Maharani Bagh, New Delhi, 110065, India.	To expand the business operations of our Company in north India and to create additional space for staff to be appointed.
February 14, 2006	The registered office of our Company was changed from B-9, Maharani Bagh, New Delhi, 110065, India to Piccadily House, 275-276, 4th Floor, Captain Gaur Marg, Srinivas Puri, New Delhi, 110065, India.	To facilitate better control, administration and management of the business operations.
February 2, 2009	The registered office of our Company was changed from Piccadily House, 275-276, 4th Floor, Captain Gaur Marg, Srinivas Puri, New Delhi, 110065, India to 3rd Floor, 6 Devika Tower, Nehru Place, New Delhi, 110019, India	For administrative convenience.
January 1, 2010	The registered office of our Company was changed from 3rd Floor, 6 Devika Tower, Nehru Place, New Delhi, 110019, India to Plot No. D-3, A Wing, 2nd Floor, District Centre, Saket, New Delhi, 110017, India.	For administrative convenience.
December 20, 2016	The registered office of our Company was changed from Plot No. D-3, A Wing, 2nd Floor, District Centre, Saket, New Delhi, 110017, India to Fortis Hospital, Sector 62, Phase – VIII, Mohali, 160062, Punjab, India.	To exercise better administrative and economic control, reduce overheads, eliminate duplication of records, rationalise and streamline the operations, management of affairs of our business and to enable better administration and easier supervision of our statutory records.

### Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

*“III (A) 1. To establish, maintain and manage clinical reference laboratories to provide testing, diagnostic and prognostic monitoring services.*

*III (A) 2. To establish, provide, maintain and conduct the business of research laboratories and workshops for clinical, diagnostic and prognostic tests.*

III (A) 3. To provide medical and/or surgical methods of treatments for diseases.

III (A) 4. To manufacture, buy, sell, import, export, hire, let on lease, maintain, repair, service or otherwise deal in any or all kinds of diagnostic aids, machinery, apparatus, equipments, spare parts, instruments or accessories, required for clinical reference laboratories, testing, diagnostic and prognostic monitoring services.

III (A) 5. To carry on and undertake the business of acting in any capacity as corporate agents for activities such as but not limited to financial services, insurance companies, pension companies and to carry out all incidental & allied activities related thereto to prospective investors, depositors, insurance client, customer, client for any type of financial and saving instruments including fixed deposits, postal savings, bonds, debentures, units and other securities, mutual funds, equity and preference shares and other type of securities of companies, life and non-life insurance products, and other products of similar type and description.”

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

#### Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the ten years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' resolution	Nature of amendment
December 2, 2016	Clause V of our Memorandum of Association was amended to reflect the re-classification of the authorised share capital of ₹ 960,000,000 comprising of 61,333,334 equity shares of ₹ 10 each, 10,000,000 redeemable preference shares of ₹ 10 each and 12,333,333 compulsorily convertible preference shares of ₹ 20 each into ₹ 960,000,000 comprising of 71,333,334 equity shares of ₹ 10 each and 12,333,333 compulsorily convertible preference shares of ₹ 20 each.
December 2, 2016	Clause V of our Memorandum of Association was amended to reflect the increase in our authorised share capital from ₹ 960,000,000 comprising of 71,333,334 equity shares of ₹ 10 each and 12,333,333 compulsorily convertible preference shares of ₹ 20 each to ₹ 970,000,000 comprising of 72,333,334 equity shares of ₹ 10 each and 12,333,333 compulsorily convertible preference shares of ₹ 20 each.
December 2, 2016	Clause V of our Memorandum of Association was amended to reflect the re-classification of the authorised share capital of ₹ 970,000,000 comprising of 72,333,334 equity shares of ₹ 10 and 12,333,333 compulsorily convertible preference shares of ₹ 20 each into of ₹ 970,000,000 comprising of 89,000,000 Equity Shares of ₹ 10 each and 4,000,000 Compulsorily Convertible Preference Shares of ₹ 20 each.
December 2, 2016	Clause II of our Memorandum of Association was amended to reflect the shift in registered office from National Capital Territory of Delhi to the State of Punjab.
May 21, 2023	Clause I, the name clause of our Memorandum of Association was amended to reflect the new name of our Company, “Agilus Diagnostics Limited”.
May 21, 2023	Clause C of our Memorandum of Association containing details of other objects of our Company was deleted to align our Memorandum of Association with the requirements of the Companies Act, 2013.

#### Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Calendar Year	Events
1996	Commenced laboratory operations in Mumbai, Maharashtra, India.
1999	Mumbai laboratory received NABL accreditation and our Company became the first diagnostic player in India to receive accreditation for its labs from the NABL (Source CRISIL Report).
2002	Mumbai laboratory received CAP accreditation.
2005	Commenced clinical trial service.
2006	Established and launched the regional reference laboratory in Gurugram, Haryana.
2007	Established and launched the regional reference laboratory in Kolkata, West Bengal.
2007	Commenced partnership with Mayo Clinic Laboratories for testing services.
2009	Invested in Agilus Diagnostics Nepal Private Limited and executed the joint venture agreement to establish a joint venture.

Calendar Year	Events
2009	Commenced H1N1 testing in India.
2010	Acquired Agilus Pathlabs Private Limited to establish a wholly owned subsidiary.
2012	Received a grant of recognition from the Maharashtra University of Health Sciences and commenced the fellowship course on molecular pathology.
2013	Entered into a memorandum of agreement with the Government of Himachal Pradesh Department of Health and Family Welfare and Rogi Kalyan Samities to establish and operate pathology laboratories in 23 government hospitals in Himachal Pradesh.
2013	Launched Next Generation Sequencing.
2013	Launched Sanger Sequencing Based Assays.
2015	Established Agilus Pathlabs Reach Limited as a wholly owned subsidiary of the Company.
2015	Entered into a public private partnership with the government of Uttar Pradesh to provide diagnostic services at district hospitals in the State.
2016	Acquired 100% shareholding in Agilus Diagnostics FZ LLC Dubai, pursuant to which Agilus Diagnostics FZ LLC Dubai became a wholly owned subsidiary of our Company.
2018	Executed an agreement with a global health organisation on April 30, 2018 for providing diagnostics services on a pan India level for a project.
2018	Entered into a consortium agreement for collaborating on the use of AI for health services with a leading technology company.
2020	Launched 19 RT-PCR laboratories for COVID-19 testing.
2020	Launched Smart health reports with actionable health insights for better health and wellness outcomes.
2021	Acquired the remaining 50% shareholding in DDRC Agilus Pathlabs Limited, pursuant to which DDRC Agilus Pathlabs Limited became a wholly owned subsidiary of our Company.
2021	Chosen to be the 'Lab Diagnostics Partner' of the Indian Olympic Association for the 2020 Tokyo Olympic games and 2024 Paris Olympic games.
2021	Became the first laboratory chain in India to integrate its laboratory management system with Ayushman Bharat Digital Mission under the national health authority ( <i>Source CRISIL Report</i> ).
2022	Acquired the brand and business of Dr. Ponshe Pathlab, one of the pathologists in Nagpur, Maharashtra, India.
2023	Awarded a tender floated by the Government of N.C.T. of Delhi, Directorate General of Health Services for providing laboratory services and setting up extension counters at its various patient health centres, <i>mohalla</i> clinics and government health facilities hospitals.
2023	Acquired the business of Lifeline Laboratory, a diagnostics company based in New Delhi, India.
2023	Changed the name of the Company and launched the new brand identity of "Agilus Diagnostics Limited".

### Key awards, accreditations or recognitions

The following are the key awards, accreditations and recognitions received by our Company:

Calendar Year	Awards, accreditations and recognitions
2011	Our Company won the "Diagnostic Service Provider: Company of the Year" award by Frost & Sullivan in 2011.
2013	Our Company won the "Operational Excellence in Diagnostics" award at the FICCI Healthcare Excellence Awards, 2013.
2018	Our Company won the "Best Diagnostics Centre" award at the CNBC-TV18 India Healthcare and Wellness Awards, 2017-18.
2020	Our Company won with the "Diagnostic Chain of the Year (National)" award at the ET Healthworld India Diagnostics Award, 2020 hosted by the Economic Times.
2021	Our Company won the "Driving Healthcare Innovation" award at the Supply Chain Logistics Excellence Awards, 2021 hosted by the CII Institute of Logistics.
2021	Our Company won the "bronze" award in "COVID Diagnostics Brand Award" at the India Health and Wellness Summit, 2021.
2022	Our Company won the "Excellence in Pan India Diagnostics (Pathology)" award at the Healthcare Excellence Awards, 2022 hosted by Businessworld.
2022	Our Company won the "Diagnostic Chain of the Year" award at the national level at the Economic Times Healthcare Summit, 2022.
2022	Our Company won the "gold" award in "Excellence in Pathology Services" at the India Health & Wellness Summit, 2022.
2022	Our Company won the "silver" award in "Excellence in Home Diagnostics Services" at the India Health & Wellness Summit, 2022.
2022	Our Company won the "Bronze" award for Best Learning Management System at the Economic Times Future Skills Awards, 2022.

Calendar Year	Awards, accreditations and recognitions
2023	Our Company won the “Best Customer Experience in Service Sector” award at the Customer Fest Leadership Awards, 2023.
2023	Our Company won the “Outstanding Pathology Services” and “Excellence in High-End Diagnostics” awards at the Elets Global Healthcare Summit and Awards, Dubai, 2023.

For details in relation to key accreditations received by our Company, see “*Our Business - Quality Assurance*” on page 187.

#### **Significant financial and/or strategic partners**

Our Company does not have any significant financial and/or strategic partners as on the date of this Draft Red Herring Prospectus.

#### **Time and/or cost overruns**

There have been no time or cost overruns in the setting up of projects by our Company since incorporation.

#### **Launch of key products or services, entry in new geographies or exit from existing markets, capacity / facility creation and location of plants**

For details of key products or services launched by our Company, capacity or facility creation, entry in new geographies or exit from existing markets by our Company, see “– *Major Events and Milestones of our Company*” and “*Our Business*” on pages 201 and 170, respectively.

#### **Defaults or rescheduling / restructuring of borrowings with financial institutions / banks**

As on the date of this Draft Red Herring Prospectus, there are no instances of defaults, restructuring or rescheduling of borrowings availed by our Company from financial institutions or banks.

#### **Details regarding material acquisition or divestment of business or undertakings in the last 10 years**

Except as disclosed below, there are no material acquisitions or divestments of business or undertakings by our Company in the last 10 years preceding the date of this Draft Red Herring Prospectus:

##### ***Share Purchase Agreement dated March 24, 2021 by and between DDRC Agilus Pathlabs Limited, certain individual sellers and our Company (“DDRC SPA”).***

Pursuant to a joint venture agreement dated January 6, 2006 read with the addendum dated January 23, 2012 between Elsy Joseph, Ajith Joy Kizhakkebhagathu, and Joy Joseph Kizhakkebhagathu (“**DDRC Group**”) and our Company, (“**DDRC JV Agreement**”), DDRC Agilus Pathlabs Limited was established as a joint venture entity, with our Company and the DDRC Group having equal shareholding and board representation. Thereafter, as per the terms of the DDRC SPA, our Company purchased 250,000 equity shares of face value of ₹ 10 each to acquire the remaining 50% shareholding in DDRC Agilus Pathlabs Limited from the DDRC Group for a consideration of 3,500 million. As part of the acquisition, the intellectual property rights of “DDRC” were assigned to our Company. To enable the consummation of the acquisition and record the mutual understanding of the parties, our Company and the DDRC Group also entered into the joint venture termination agreement dated April 5, 2021 (“**DDRC JV Termination Agreement**”) to terminate the DDRC JV Agreement. Consequent to the execution of the DDRC SPA and the DDRC JV Termination Agreement, DDRC Agilus Pathlabs Limited has been classified as a wholly owned subsidiary of our Company.

##### ***Share Sale and Purchase Agreement dated June 30, 2016 by and between Fortis Healthcare International Pte. Limited, Agilus Diagnostics FZ LLC and our Company (“Agilus Diagnostics FZ LLC SSPA”).***

As per the terms of the Agilus Diagnostics FZ LLC SSPA, our Company acquired 300 equity shares of face value AED 1,000 each of Agilus Diagnostics FZ LLC from Fortis Healthcare International Pte. Limited for a consideration of USD 2,000,000. Pursuant to the acquisition, Agilus Diagnostics FZ LLC has become a wholly owned subsidiary of our Company.

## Details of subsisting Shareholders' agreements

Except as disclosed below, our Company does not have any subsisting shareholders' agreements among our Shareholders vis-a-vis our Company:

*Share Subscription Agreement dated June 12, 2012 by and between International Finance Corporation ("IFC"), NYLIM Jacob Ballas India Fund III LLC ("NJBIF"), Avigo PE Investments Limited (now known as Resurgence PE Investments Limited) ("Resurgence"), Spring Healthcare India Trust ("Spring Domestic"), Spring Healthcare (P) Limited ("Spring Offshore"), Sabre Capital (Mauritius) Limited ("SCML"), our Promoter and our Company ("SSA").*

Pursuant to the SSA, IFC and NJBIF agreed to subscribe to fully paid up compulsorily convertible preference shares of our Company of par value of ₹ 20 each issued at a premium of ₹ 280 each ("CCPS"). IFC agreed to subscribe to 4,000,000 CCPS for a subscription price of ₹ 300 per CCPS aggregating to ₹ 1,200.00 million and NJBIF agreed to subscribe to 8,333,333 CCPS for a subscription price of ₹ 300 per CCPS aggregating to ₹ 2,500.00 million. Pursuant to such subscription and purchase of CCPS, IFC and NJBIF acquired 32% and 68% of the preference share capital of our Company. The SSA provides the conditions of subscription, particulars of the use of proceeds and mandatory conversion process of the CCPS. Further, SCML, Resurgence, Spring Domestic and Spring Offshore had entered into share subscription agreements dated April 11, 2011 and April 27, 2011 ("Existing SSAs") with our Company, pursuant to which they were issued Equity Shares. The SSA supersedes such Existing SSAs.

*Shareholders' agreement dated June 12, 2012, between NJBIF, IFC, SCML, Resurgence, Spring Domestic, Spring Offshore, the Promoter and the Company ("2012 Shareholders' Agreement") read with amendment agreement dated March 30, 2021 ("Amendment Agreement") and waiver cum amendment agreement dated September 29, 2023 ("Waiver cum Amendment Agreement"). The 2012 Shareholders' Agreement, Amendment Agreement and the Waiver cum Amendment Agreement are together referred to as the "Shareholders' Agreement".*

NJBIF, IFC, SCML, Resurgence, Spring Domestic, Spring Offshore, the Promoter and our Company entered into the 2012 Shareholders' Agreement to record the terms and conditions governing the parties to the 2012 Shareholders' Agreement, their respective rights, obligations, shareholding and provisions relating to management of the Company. Subsequently, our Company, Promoter, IFC, Resurgence and NJBIF entered into the Amendment Agreement, consequent to the transfer of Equity Shares that were held by SCML, Spring Domestic and Spring Offshore in our Company and their consequent cessation as shareholders of our Company. The Amendment Agreement also amended certain terms of the 2012 Shareholders' Agreement including rights of IFC, Resurgence and NJBIF (together, "Investors") and the Promoter in the Company.

Pursuant to the 2012 Shareholders' Agreement read with the Amendment Agreement, the Investors have certain rights such as (i) right to nominate directors on our Board; (ii) transfer restriction rights along with tag along rights; (iii) information, reporting and inspection rights; and (iv) consent right in case of certain reserved matters such as amendment of any charter document of the Company, any merger, de-merger, voluntary winding up or dissolution, and authorising or undertaking any reduction of capital or share repurchase or buy back of shares by the Company. The Promoter's rights include, inter alia, the (i) right to nominate a majority of the directors on our Board, (ii) right of first offer, (iii) inspection rights and (iv) pre-emptive rights in relation to anti-dilution of shareholding in the Company. The 2012 Shareholders' Agreement read with the Amendment Agreement also has certain other provisions in relation to the management of our Company such as procedure for holding board and shareholder meetings and the quorum for such meetings.

The 2012 Shareholders' Agreement read with the Amendment Agreement provides for an exit option to the Investors by way of a third party sale right, pursuant to which, if the Company has not undertaken necessary steps towards consummation of an initial public offer in accordance with the terms of the 2012 Shareholders' Agreement read with the Amendment Agreement, the Investors have (i) a right to issue a notice to the Company to initiate a process to identify a suitable buyer for all or a portion of their equity shares ("**Third Party Sale Right**"), and (ii) in case there is no ongoing process under the Third Party Sale Right, a put option right against the Promoter, pursuant to which each Investor has the right to deliver a written notice to the Promoter (within a certain exercise period) informing the Promoter that it wishes to sell all equity shares held by it to the Promoter or any person identified by the Promoter and the Promoter or the person identified by the Promoter shall be obligated to purchase such equity shares at the fair market value determined by an independent valuer ("**Put Option**"). The Third Party Sale Right and the Put Option are together referred to as "Exit Rights".



Pursuant to the Waiver cum Amendment Agreement, to the extent waivers are necessary to facilitate the Offer, the parties have agreed to waive certain of their rights such as right of first offer, transfer by Investors, information, reporting and inspection rights at the stage of filing the Draft Red Herring Prospectus / Red Herring Prospectus, as applicable. The Waiver cum Amendment Agreement gives a right to each Investor to appoint one observer at the meetings of the IPO Committee.

In terms of the Waiver cum Amendment Agreement, the Investors have agreed to suspend the Exit Rights until the earlier of (i) April 4, 2024, or such other further date as may be mutually agreed in writing, among the parties; or (ii) the date of the withdrawal of the Offer, in accordance with the Waiver cum Amendment Agreement, subject to applicable laws. In the event final observations from SEBI on the DRHP are issued by March 31, 2024, or such other further date as may be mutually agreed in writing among the Parties, the Investors have agreed that the Exit Rights shall automatically get suspended further until the earlier of (i) expiry of a period of six months from the date of issue of final observations by SEBI on the DRHP or such other further date as may be mutually agreed in writing among the parties; or (ii) the date of the withdrawal of the Offer in accordance with the Waiver cum Amendment Agreement, after prior good faith consultation with the Investors, subject to applicable law.

Further, in terms of the Waiver cum Amendment Agreement, our Company and IFC have agreed to enter into a policy rights agreement (“**Policy Rights Agreement**”) which shall be executed prior to filing of the Red Herring Prospectus, pursuant to which our Company has agreed to certain covenants and to provide certain information pertaining to matters relating to *inter alia*, litigation, environmental compliance, insurance, anti-corruption and certain inspection rights, subject to applicable laws. The Policy Rights Agreement will be effective from the date of receipt of final listing and trading approvals from the Stock Exchanges for listing and trading of the Equity Shares pursuant to the Offer, until the date when IFC holds Equity Shares of our Company, which shall be subject to applicable laws, to the extent applicable.

In accordance with the Waiver cum Amendment Agreement, from the date of filing of the Red Herring Prospectus with the RoC, Part B of the Articles of Association shall automatically terminate, without any further action by the Company or Shareholders.

The 2012 Shareholders’ Agreement read with the Amendment Agreement and the Waiver cum Amendment Agreement shall automatically terminate, including all rights available to the Promoter and/or the Investors under the 2012 Shareholders’ Agreement read with the Amendment Agreement and the Waiver cum Amendment Agreement, upon the receipt of final listing and trading approvals from the Stock Exchanges in relation to the Offer, except for certain clauses related to confidentiality, dispute resolution and governing law that will continue to survive termination.

From the date of receipt of final listing and trading approvals from the Stock Exchanges in relation to the Offer, the Promoter intends to continue with its right to appoint majority of directors on the Board of our Company, provided that such right shall be effective only from the date of receipt of approval of the Shareholders of the Company by way of a special resolution at the Shareholders’ meeting held by the Company post listing of the Equity Shares pursuant to the Offer and incorporation of such right in the Articles of Association. The Board of Directors of the Company shall initiate necessary actions in this regard post listing of the Equity Shares on the Stock Exchanges, in accordance with applicable laws.

### **Other Material Agreements**

Except as disclosed above in this section and as follows, our Company has not entered into any subsisting material agreement, including with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business.

***Joint Venture Agreement dated April 23, 2009 by and between Life Care Services Private Limited and our Company read with the amendment agreement dated November 19, 2010, the addendum dated September 25, 2011 (“Addendum”) and the amendment to the Addendum dated March 12, 2015 (“Amendment”) (the “Agilus Nepal JV Agreement”).***

As per the terms of the Agilus Nepal JV Agreement, Agilus Diagnostics Nepal Private Limited, a joint venture company was incorporated. The objective of establishing the joint venture company was for operating pathology laboratories and diagnostic centres in the territory of Nepal by combining our Company’s expertise, know-how and brand name with the local knowledge and distribution capacity of Life Care Services Private Limited in Nepal.

Our Company and Life Care Services Private Limited have equal shareholding and board representation of two directors each, in Agilus Diagnostics Nepal Private Limited. The chairman of the board of directors and the managing director of Agilus Diagnostics Nepal Private Limited are to be alternatively appointed by our Company and Life Care Services Private Limited. Further capital infusion in Agilus Diagnostics Nepal Private Limited is to be done by our Company and Life Care Services Private Limited through either equity or debt in proportion to their existing holding in Agilus Diagnostics Nepal Private Limited. The Agilus Nepal JV Agreement may be terminated mutually by the parties or upon an event of default by either party. To further the objective of Agilus Diagnostics Nepal Private Limited and to overcome the lack of availability of equipment, expertise and technologies for pathology testing in Nepal, the Agilus Nepal JV Agreement was amended in 2011 and 2015 to allow such test samples to be sent to India for tests which could not be done in Nepal.

**Details regarding mergers or amalgamation in the last 10 years**

Our Company has not been party to any merger or amalgamation in the 10 years preceding the date of this Draft Red Herring Prospectus.

**Details regarding revaluation of assets in the last 10 years**

Our Company has not revalued its assets in the 10 years preceding the date of this Draft Red Herring Prospectus.

**Guarantees given by our Promoter Selling Shareholders**

Our Promoter is not a Selling Shareholder in the Offer.

## OUR HOLDING COMPANY, OUR SUBSIDIARIES, AND OUR JOINT VENTURE

As on date of this Draft Red Herring Prospectus, our Company has one Holding Company, four Subsidiaries and one Joint Venture.

### Holding Company of our Company

Fortis Healthcare Limited is our Promoter and Holding Company. For details in relation to its nature of business, capital structure and shareholding pattern see, “Our Promoter and Promoter Group – Details of our Promoter” on page 232.

### Subsidiaries of our Company

As on the date of this Draft Red Herring Prospectus, our Company has four Subsidiaries (two of which are Material Subsidiaries), the details of which are below.

#### 1. Agilus Pathlabs Private Limited

##### *Corporate information*

Agilus Pathlabs Private Limited was incorporated as a private limited company under the name ‘Drs. Tribedi & Roy Diagnostic Laboratories Private Limited’ under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 20, 1999, issued by the Registrar of Companies, Maharashtra at Mumbai. It became a deemed public limited company and the word private was deleted from its name with effect from August 7, 1999. On September 12, 2001 the word ‘Private’ was added and it became a private limited company. It was subsequently renamed ‘NPIL Laboratories and Diagnostics Private Limited’ and a fresh certificate of incorporation was issued on December 16, 2003. It was subsequently renamed ‘Piramal Diagnostic Services Private Limited’ and a fresh certificate of incorporation was issued on May 15, 2008. It was subsequently renamed ‘SRL Diagnostics Private Limited’ and a fresh certificate of incorporation was issued on June 21, 2011 by the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi. It was subsequently renamed ‘Agilus Pathlabs Private Limited’ and a fresh certificate of incorporation was issued on July 27, 2023. Its CIN is U85195DL1999PTC217659, and its registered office is situated at Plot No. 160 (Ground and First Floor), Pocket D-11, Sector 8, Rohini, New Delhi – 110 085, Delhi, India.

##### *Nature of business*

Agilus Pathlabs Private Limited is engaged in the business of running, owning, managing, administering, establishing diagnostic centers, scan centers, clinical pathological testing laboratories, medical centers and nursing homes and conducting research laboratories and experimental workshops for scientific and technical researches.

##### *Capital structure*

Particulars	No. of equity shares of face value of ₹ 10 each
Authorised equity share capital of ₹ 50,000,000	5,000,000
Issued, subscribed and paid-up equity share capital of ₹ 39,582,000	3,958,200

##### *Shareholding pattern*

The shareholding pattern of Agilus Pathlabs Private Limited as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of the shareholder	No. of equity shares of face value ₹ 10 each	Percentage of total equity share capital (%)
1.	Company	39,58,180	99.99
2.	Fortis Healthcare Limited*	15	Negligible
3.	Fortis Hospitals Limited*	1	Negligible
4.	Hiranandani Healthcare Private Limited*	1	Negligible
5.	Agilus Pathlabs Reach Limited*	1	Negligible

S. No.	Name of the shareholder	No. of equity shares of face value ₹ 10 each	Percentage of total equity share capital (%)
6.	Escorts Heart Institute and Research Centre Limited*	1	Negligible
7.	Adayu Mindfulness Limited (formerly Fortis La Femme Limited)*	1	Negligible
<b>Total</b>		<b>3,958,200</b>	<b>100.00</b>

\*Nominee of our Company

## 2. DDRC Agilus Pathlabs Limited

### Corporate information

DDRC Agilus Pathlabs Limited was incorporated as a private limited company under the name 'DDRC Wellspring Pathlabs Private Limited' under the Companies Act, 1956, pursuant to a certificate of incorporation dated April 28, 2006, issued by the Registrar of Companies, Maharashtra at Mumbai. It was subsequently renamed 'DDRC Piramal Diagnostic Services Private Limited' and a fresh certificate of incorporation was issued on January 29, 2009. It was subsequently renamed 'DDRC SRL Diagnostics Private Limited' and a fresh certificate of incorporation was issued on August 8, 2011. It was converted into a public limited company, 'DDRC SRL Diagnostics Limited', and a fresh certificate of incorporation was issued on June 8, 2022 by the Registrar of Companies, Maharashtra at Mumbai. It was subsequently renamed 'DDRC Agilus Pathlabs Limited' and a fresh certificate was issued on July 26, 2023. Its CIN is U85190MH2006PLC161480, and its registered office is situated at 4<sup>th</sup> Floor, Prime Square, Plot No.1 Gaiwadi Industrial Estate, S.V. Road, Goregaon (West), Mumbai – 400 062, Maharashtra, India.

### Nature of business

DDRC Agilus Pathlabs Limited is engaged in the business of establishing, acquiring, running, owning, managing, administering diagnostic centers, clinical pathological testing laboratories and medical centers.

### Capital structure

Particulars	No. of shares of face value of ₹ 10 each
Authorised equity share capital of ₹ 10,000,000	1,000,000
Authorised preference share capital of ₹ 115,000,000	11,500,000
Issued, subscribed and paid-up equity share capital of ₹ 5,000,000	500,000

### Shareholding pattern

The shareholding pattern of DDRC Agilus Pathlabs Limited as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of the shareholder	No. of equity shares of face value ₹ 10 each	Percentage of total equity share capital (%)
1.	Company	249,995	49.99
2.	Agilus Pathlabs Private Limited	250,000	50.00
3.	Hiranandani Healthcare Private Limited*	1	Negligible
4.	Escorts Heart Institute and Research Centre Limited*	1	Negligible
5.	Fortis Hospitals Limited*	1	Negligible
6.	Agilus Pathlabs Reach Limited*	1	Negligible
7.	Adayu Mindfulness Limited (formerly Fortis La Femme Limited)*	1	Negligible
<b>Total</b>		<b>500,000</b>	<b>100.00</b>

\*Nominee of our Company

## 3. Agilus Pathlabs Reach Limited

### Corporate information

Agilus Pathlabs Reach Limited was incorporated as a public limited company under the name 'SRL Reach

Limited' under the Companies Act, 2013, pursuant to a certificate of incorporation dated May 1, 2015, issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi. It was subsequently renamed 'Agilus Pathlabs Reach Limited' and a fresh certificate of incorporation was issued on July 5, 2023 by the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi. Its CIN is U85100DL2015PLC279712, and its registered office is situated at Plot No. 160 (Ground and First Floor), Pocket D-11, Sector 8, Rohini, New Delhi-110085, Delhi, India.

#### *Nature of business*

Agilus Pathlabs Reach Limited is engaged in the business of establishing, developing, operating, maintaining and managing pathology laboratories to provide testing and diagnostic services.

#### *Capital structure*

Particulars	No. of equity shares of face value of ₹ 10 each
Authorised equity share capital of ₹ 80,000,000	8,000,000
Issued, subscribed and paid-up equity share capital of ₹ 80,000,000	8,000,000

#### *Shareholding pattern*

The shareholding pattern of Agilus Pathlabs Reach Limited as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of the shareholder	No. of equity shares of face value ₹ 10 each	Percentage of total equity share capital (%)
1.	Company	7,999,994	99.99
2.	Fortis Healthcare Limited*	1	Negligible
3.	Hiranandani Healthcare Private Limited *	1	Negligible
4.	Agilus Pathlabs Private Limited*	1	Negligible
5.	Fortis Hospitals Limited*	1	Negligible
6.	Adayu Mindfulness Limited (formerly Fortis La Femme Limited)*	1	Negligible
7.	Escorts Heart Institute and Research Centre Limited*	1	Negligible
	<b>Total</b>	<b>8,000,000</b>	<b>100.00</b>

\*Nominee of our Company

#### **4. Agilus Diagnostics FZ LLC**

##### *Corporate information*

Agilus Diagnostics FZ LLC was incorporated on February 11, 2009 as a free zone entity with a limited liability under the name of 'Super Religare Laboratories International FZ-LLC' under commercial license number 358 issued by the Dubai Healthcare City Authority of the Government of Dubai. It was subsequently renamed 'SRL Diagnostics FZ-LLC' and a certificate of name change was issued on March 6, 2014. It was subsequently renamed 'Agilus Diagnostics FZ LLC' and a certificate of company name change was issued by the Dubai Healthcare City Authority of the Government of Dubai on July 3, 2023. Its registered office is situated at Units No. 1018 and 1019, Building No. 64, Dubai Healthcare City, P.O. Box: 505 143, Dubai, United Arab Emirates.

##### *Nature of business*

Agilus Diagnostics FZ LLC is authorised under its memorandum of association to carry on all business permitted under the commercial license issued to it by the Dubai Healthcare Authority of the Government of Dubai and is engaged in the business of operating as diagnostic center and medical laboratories.

##### *Capital structure*

Particulars	No. of equity shares of face value of AED 1,000 each
Authorised equity share capital of AED 1,471,000	1,471

Particulars	No. of equity shares of face value of AED 1,000 each
Issued, subscribed and paid-up equity share capital of AED 1,471,000	1,471

#### *Shareholding pattern*

The shareholding pattern of Agilus Diagnostics FZ LLC as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of the shareholder	No. of equity shares of face value AED 1,000 each	Percentage of total equity share capital (%)
1.	Company	1,471	100.00
	<b>Total</b>	<b>1,471</b>	<b>100.00</b>

#### **Joint Venture of our Company**

As on the date of this Draft Red Herring Prospectus, our Company has one Joint Venture, the details of which are provided below.

##### **1. Agilus Diagnostics Nepal Private Limited**

#### *Corporate information*

Agilus Diagnostics Nepal Private Limited was incorporated as a private limited company under the name 'Super Religare Reference Laboratories (Nepal) Private Limited' pursuant to a certificate of incorporation dated August 7, 2009, issued by the Office of the Company Registrar, Nepal. Its registration number is 64795/066/067. It was subsequently renamed 'SRL Diagnostics (Nepal) Private Limited' and a fresh certificate of incorporation was issued on January 27, 2013. It was subsequently renamed 'Agilus Diagnostics Nepal Private Limited' and a fresh certificate of incorporation was issued on July 26, 2023. Its registered office is situated at Ward No 3, Maharanjung, Kathmandu, Nepal.

#### *Nature of business*

Agilus Diagnostics Nepal Private Limited is engaged in the business of operating pathology lab relating to human health.

#### *Capital structure*

Particulars	No. of equity shares of face value of Nepalese Rupees 100 each
Authorised equity share capital of Nepalese Rupees 70,000,000	700,000
Issued, subscribed and paid-up equity share capital of Nepalese Rupees 48,000,000	480,000

#### *Shareholding pattern*

The shareholding pattern of Agilus Diagnostics Nepal Private Limited as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of the shareholder	No. of equity shares of face value Nepalese Rupees 100 each	Percentage of total equity share capital (%)
1.	Company	240,000	50.00
2.	Life Care Services Private Limited	240,000	50.00
	<b>Total</b>	<b>480,000</b>	<b>100.00</b>

#### *Accumulated profits or losses*

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of our Subsidiaries and Joint Venture, which are not accounted for by our Company in its Restated Consolidated Financial Information.

***Common pursuits***

All of our Subsidiaries and our Joint Venture are engaged in the same line of business as that of our Company and accordingly, there are certain common pursuits between our Subsidiaries, our Joint Venture and our Company. However, there is no conflict of interest amongst our Subsidiaries and Joint Venture and our Company. Our Company will adopt the necessary procedures and practices as permitted by law and regulatory guidelines to address any conflict situations as and when they arise.

***Business interest between our Company and our Subsidiaries and our Joint Venture***

Except as stated in “*Our Business*” and “*Restated Consolidated Financial Information – Note 39 – Related party disclosures*” on pages 170 and 279, respectively, none of our Subsidiaries and our Joint Venture have any business interest in our Company.

***Other confirmations***

The equity shares of our Holding Company are listed on the Stock Exchanges. However, none of our Subsidiaries are listed on any stock exchange in India or abroad. Further, none of our Subsidiaries have been refused listing in the last ten years by any stock exchange in India or abroad, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

## OUR MANAGEMENT

### Board of Directors

The Companies Act, 2013 and the Articles of Association of our Company require that our Board shall comprise of not less than three Directors and not more than 15 Directors, provided that our Shareholders may appoint more than 15 Directors after passing a special resolution in a general meeting.

As on the date of filing this Draft Red Herring Prospectus, we have six Directors on our Board, including one Executive Director, three Non-Executive Directors and two Independent Directors. Additionally, out of the two Independent Directors, one is an independent woman director.

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

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
<p><b>Ravi Rajagopal</b></p> <p><i>Designation:</i> Chairman and Independent Director</p> <p><i>Date of birth:</i> January 29, 1955</p> <p><i>Address:</i> Flat 96, Eyre Court 3-21, Finchley Road, London – NW89TX, United Kingdom</p> <p><i>Occupation:</i> Professional</p> <p><i>Current term:</i> For a period of five years with effect from June 23, 2023 till June 22, 2028, not liable to retire by rotation</p> <p><i>Period of directorship:</i> Since June 23, 2018</p> <p><i>DIN:</i> 00067073</p>	68	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> <li>▪ Agilus Pathlabs Private Limited</li> <li>▪ ECL Finance Limited</li> <li>▪ Fortis Healthcare Limited</li> <li>▪ Fortis Hospitals Limited</li> <li>▪ Fortis Malar Hospitals Limited</li> </ul> <p><i>Foreign Companies</i></p> <ul style="list-style-type: none"> <li>▪ Airtel Africa Plc, UK</li> <li>▪ Peabody Housing Limited, United Kingdom</li> </ul>
<p><b>Anand Kuppuswamy</b></p> <p><i>Designation:</i> Managing Director and Chief Executive Officer</p> <p><i>Date of birth:</i> July 16, 1973</p> <p><i>Address:</i> Plot No. 7, Door No. 17/26, Swamy Nagar Extension, First Street, Ullagaram, Chennai – 600091, Tamil Nadu, India</p> <p><i>Occupation:</i> Service</p> <p><i>Current term:</i> For a period of three years with effect from August 4, 2023 to August 3 2026, not liable to retire by rotation</p> <p><i>Period of directorship:</i> Since August 4, 2023</p> <p><i>DIN:</i> 02427196</p>	50	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> <li>▪ Agilus Pathlabs Private Limited</li> <li>▪ DDRC Agilus Pathlabs Limited</li> </ul> <p><i>Foreign Companies</i></p> <ul style="list-style-type: none"> <li>▪ Agilus Diagnostics Nepal Private Limited</li> </ul>
<p><b>Dr. Ashutosh Raghuvanshi</b></p> <p><i>Designation:</i> Non-Executive Director</p> <p><i>Date of birth:</i> August 11, 1962</p> <p><i>Address:</i> UD-02-1202, 1050/1, Survey Park, Udita Complex, E M Bypass, Santoshpur, Circus Avenue, Kolkata-700075, West Bengal, India</p> <p><i>Occupation:</i> Service</p> <p><i>Current term:</i> Liable to retire by rotation</p> <p><i>Period of directorship:</i> Since March 20, 2019</p>	61	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> <li>▪ Fortis Healthcare Limited</li> <li>▪ Fortis Hospotel Limited</li> </ul> <p><i>Foreign Companies</i></p> <p>Nil</p>



Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
<p><i>DIN:</i> 02775637</p> <p><b>Dilip Kadambi</b></p> <p><i>Designation:</i> Non-Executive Director</p> <p><i>Date of birth:</i> August 2, 1974</p> <p><i>Address:</i> 7-25 Grange Heights, 21 St Thomas Walk Singapore – 238145</p> <p><i>Occupation:</i> Professional</p> <p><i>Current term:</i> Liable to retire by rotation</p> <p><i>Period of directorship:</i> Since April 6, 2021</p> <p><i>DIN:</i> 02148022</p>	49	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> <li>▪ Fortis Healthcare Limited</li> </ul> <p><i>Foreign Companies</i></p> <ul style="list-style-type: none"> <li>▪ Andaman Alliance Healthcare Limited</li> <li>▪ Gleneagles International Pte. Ltd.</li> <li>▪ Gleneagles Management Services Pte. Ltd.</li> <li>▪ Gleneagles Pharmacy Pte. Ltd.</li> <li>▪ IHH Financial Services Pte. Ltd.</li> <li>▪ iXchange Pte. Ltd.</li> <li>▪ M&amp;P Investments Pte. Ltd.</li> <li>▪ Medical Resources International Pte. Ltd.</li> <li>▪ Parkway Healthcare Indo-China Pte. Ltd.</li> <li>▪ Parkway Hospitals Singapore Pte. Ltd.</li> <li>▪ Parkway Promotions Pte. Ltd.</li> </ul>
<p><b>Ashok Pandit</b></p> <p><i>Designation:</i> Additional Non-Executive Director*</p> <p><i>Date of birth:</i> December 24, 1965</p> <p><i>Address:</i> 82 Grange Road #08-02 Singapore – 249587</p> <p><i>Occupation:</i> Professional</p> <p><i>Current Term:</i> Liable to retire by rotation</p> <p><i>Period of directorship:</i> Since September 15, 2023</p> <p><i>DIN:</i> 09279899</p>	57	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> <li>▪ Fortis Healthcare Limited</li> </ul> <p><i>Foreign Companies</i></p> <ul style="list-style-type: none"> <li>▪ Gleneagles International Pte. Ltd.</li> <li>▪ IHH Laboratories Holdings Sdn Bhd</li> <li>▪ IHH Laboratories Pte. Ltd.</li> <li>▪ Lucence Life Sciences Pte. Ltd.</li> <li>▪ M&amp;P Investments Pte. Ltd.</li> <li>▪ Medical Resources International Pte. Ltd.</li> <li>▪ Parkway Healthcare Indo-China Pte. Ltd.</li> <li>▪ Parkway Healthcare (Mauritius) Limited</li> <li>▪ Parkway HK Holdings Limited</li> <li>▪ Parkway Medical Services (Hong Kong) Limited</li> <li>▪ PCH Holding Pte. Ltd.</li> </ul>
<p><b>Suvalaxmi Chakraborty</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of birth:</i> July 22, 1966</p> <p><i>Address:</i> Flat No. B/1607, 16<sup>th</sup> Floor, Ashok Towers, Dr. Ambedkar Road, next to ITC Grand Central Hotel, Parel Mumbai – 400012</p> <p><i>Occupation:</i> Professional</p> <p><i>Current Term:</i> For a period of five years with effect from June 23, 2023 till June 22, 2028, not liable to retire by rotation</p> <p><i>Period of directorship:</i> Since June 23, 2018</p> <p><i>DIN:</i> 00106054</p>	57	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> <li>▪ Fortis Healthcare Limited</li> <li>▪ Espandere Advisors Private Limited</li> <li>▪ Kaleidofin Private Limited</li> <li>▪ Finreach Solutions Private Limited</li> </ul> <p><i>Foreign Companies</i></p> <p>Nil</p>

\* The appointment and term of the Director is subject to approval by our Shareholders in the next general meeting of our Company.

### Brief profiles of our Directors

**Ravi Rajagopal** is the Chairman and Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Madras. He is a chartered accountant and cost and works accountant. Previously, he has been associated with Vedanta Resources Plc as a non-executive director and was also associated with Diageo Plc for 16 years. He was appointed as a trustee of the Science Museum Foundation in 2018. He serves as a director on the board of various companies including, amongst others, Fortis Healthcare Limited as the Chairman, Fortis Malar Hospitals Limited, Peabody Housing Limited, United Kingdom and Airtel Africa Plc, United Kingdom.

**Anand Kuppaswamy** is the Managing Director and Chief Executive Officer of our Company. He joined our Company on August 5, 2020. He oversees the business and operations in our Company. He holds a bachelor's degree in science with a specialisation in medical lab technology from the Pondicherry University and a post graduate diploma in management from the Academic Council of the International Institute of Advanced Marketing. He has also completed a program on strategies for growth from the Indian Institute of Management, Ahmedabad. He has approximately 25 years of experience in the healthcare industry. Prior to joining our Company, he worked with Metropolis Health Services (India) Limited, Neberg Diagnostics Private Limited and Apollo Health and Lifestyle Limited. He serves as a director on the board of various companies including Agilus Diagnostics Nepal Private Limited, DDRC Agilus Pathlabs Limited and Agilus Pathlabs Private Limited.

**Dr. Ashutosh Raghuvanshi** is a Non-Executive Director of our Company. He holds a bachelor's degree in medicine and surgery and a degree in master's of surgery in general surgery, both, from the Nagpur University. Further, he holds a master's of chirurgiae cardio thoracic surgery from the Bombay Hospital Institute of Medical Sciences, University of Bombay. Previously, he has been associated with Narayana Hrudalayala Limited in various managerial positions. He serves as a director on the board of various companies including Fortis Healthcare Limited and Fortis Hospotel Limited. He has been awarded the CEO of the year award at the Health Care Leadership Awards, 2015 organised by the Stars of the Industry Group.

**Dilip Kadambi** is a Non-Executive Director of our Company. He holds a bachelor's degree in commerce from the University of Madras and a post graduate diploma in business administration from the ICFAI Business School. Previously, he has been associated with Kotak Mahindra Capital Company Limited and is currently associated with IHH Financial Services Pte. Ltd. as the group head of corporate finance treasury. He serves as a director on the board of Fortis Healthcare Limited.

**Ashok Pandit** is an Additional Non-Executive Director of our Company. He holds a bachelor's degree in engineering (mechanical) from the University of Delhi and post graduate diploma in management from the Indian Institute of Management, Bangalore. Previously, he has been associated with Tata Engineering and Locomotive Company Limited, The Credit Rating Information Services of India Limited, Kotak Mahindra Finance Limited, Kotak Mahindra Capital Company, ANZ Grindlays Bank Limited, ABN AMRO Asia Equities (India) Limited, ABN AMRO Asia Corporate Finance (I) Private Limited, ABN AMRO Asia Corporate Finance Limited, ABN AMRO Bank N.V., Hong Kong Deutsche Bank AG, Hong Kong and Deutsche Bank AG, Singapore. He serves as a director on the board of various companies including, amongst others, Gleneagles International Pte. Ltd., IHH Laboratories Holdings Sdn Bhd and IHH Laboratories Pte. Ltd. He is the group chief strategy and business development officer at IHH Healthcare Berhad.

**Suvalaxmi Chakraborty** is an Independent Director of our Company. She holds a bachelor's degree in commerce from the University of Calcutta. She is a qualified chartered accountant. Previously, she has been associated with Barclays Bank Plc., State Bank of Mauritius Limited and ICICI Bank Limited. She serves as a director on the board of various companies including Finreach Solutions Private Limited as the managing director and chief executive officer, Fortis Healthcare Limited, Espandere Advisors Private Limited and Kaleidofin Private Limited.

#### **Details of directorships in companies suspended or delisted**

None of our Directors is or was a director on the board of any listed company, whose shares have been or were suspended from being traded on any stock exchanges, in the last five years prior to the date of this Draft Red Herring Prospectus, during the term of their directorship in such company.

None of our Directors is, or was, a director on the board of any listed company, which has been or was delisted from any stock exchange during the term of their directorship in such company.

None of our Directors, Key Managerial Personnel and Senior Management Personnel are related to each other.

## Arrangement or understanding with major Shareholders, customers, suppliers or others

Except for Dr. Ashutosh Raghuvanshi, Dilip Kadambi, Ashok Pandit and Anand Kuppuswamy, who have been appointed on account of our Promoter's majority shareholding and as per the terms of the Shareholders' Agreement, none of our Directors have been appointed on our Board pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

## Service contracts with Directors

Our Company has not entered into any service contracts with our Directors which provide for benefits upon the termination of their employment.

## Terms of appointment of our Directors

### Terms of appointment of our Executive Director

#### Anand Kuppuswamy

Our Board at its meeting held on August 4, 2023 approved the appointment of Anand Kuppuswamy as the Managing Director and Chief Executive Officer of our Company for a period of three years. The Shareholders through postal ballot on September 8, 2023 have approved his appointment for a period of three years with effect from August 4, 2023. For details in relation to the appointment of Anand Kuppuswamy as the chief executive officer of our Company, see "*Our Management – Key Managerial Personnel*" on page 229. In accordance with the resolution of our Shareholders dated September 8, 2023, Anand Kuppuswamy is entitled to remuneration and employee benefits with effect from August 4, 2023, as set forth in the table below:

(₹ in million)

Sr. No.	Category	Remuneration
1.	Annual remuneration (basic pay)	45.14

### Terms of appointment of our Non-Executive Directors

Our Non-Executive Directors are not entitled to receive sitting fees for attending meetings of the Board, and meetings of the committees of the Board.

### Independent Directors

Pursuant to the Board resolution dated June 23, 2018, each Independent Director, is entitled to receive sitting fees of ₹ 100,000 per meeting for attending meetings of the Board and ₹ 100,000 per meeting for attending meetings of the committees of the Board of Directors.

### Payments or benefits to our Directors

Our Company has not entered into any contract appointing or fixing the remuneration of a Director, whole-time director, or manager in the two years preceding the date of this Draft Red Herring Prospectus.

In Fiscal 2023, our Company has not paid any compensation or granted any benefits on an individual basis to any of our Directors (including contingent or deferred compensation) other than the remuneration paid to them for such period. The remuneration paid to our Directors in Fiscal 2023 is as follows:

#### Executive Director

Our Company has not paid any remuneration (including professional fees, sitting fees, salaries, commission and perquisites) to our Executive Director in Fiscal 2023 since our Executive Director, namely Anand Kuppuswamy, was appointed in Fiscal 2024. For details in relation to the remuneration paid to Anand Kuppuswamy as the chief executive officer of our Company, see "*Our Management – Key Managerial Personnel*" on page 229

### **Non-Executive Directors (including Independent Directors)**

The details of payments (including sitting fees, salaries, commission and perquisites) and professional fees, paid to our Non-Executive Directors (including Independent Directors) during Fiscal 2023 are as follows:

<b>S. No.</b>	<b>Name of the Director</b>	<b>Amount paid for Fiscal 2023 (in ₹ million)</b>
1.	Ravi Rajagopal	1.30
2.	Dr. Ashutosh Raghuvanshi	Nil
3.	Dilip Kadambi	Nil
4.	Ashok Pandit	Nil
5.	Suvalaxmi Chakraborty	1.77

### **Remuneration paid or payable to our Directors by our Subsidiaries**

None of our Directors have received or were entitled to receive any remuneration, sitting fees or commission from our Subsidiaries in Fiscal 2023.

### **Contingent and deferred compensation payable to the Directors**

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

### **Bonus or profit-sharing plan for our Directors**

Our Company does not have any performance linked bonus or a profit-sharing plan for our Directors.

### **Shareholding of Directors in our Company**

Our Articles of Association do not require our Directors to hold qualification shares.

None of our Directors hold Equity Shares as on date of this Draft Red Herring Prospectus.

### **Borrowing Powers**

Pursuant to our Articles of Association, the applicable provisions of Companies Act, 2013, and the resolution passed by our Shareholders at their Annual General Meeting held on September 22, 2014, our Board may borrow moneys from time to time, together with the monies already borrowed by our Company whether by way of term loan / equipment finance, cash credit facilities or the like including borrowing through issuance of debentures, bonds and / or other instruments or non-fund based facilities or in any other form (apart from the temporary loans obtained or to be obtained from our Company's banker in the ordinary course of business) from the banks, financial institutions, investment institutions, mutual funds, trusts, other body corporate or from any other source, located in India or abroad, whether secured or unsecured, on such terms and conditions as may be considered suitable by the Board, for an aggregate amount outstanding at any point of time not exceeding ₹ 6,000.00 million, irrespective of the fact that such aggregate amount of borrowings outstanding at any time may exceed the aggregate of the paid-up share capital and free reserves of our Company.

### **Interest of Directors**

All our Independent Directors may be deemed to be interested to the extent of sitting fees payable, to them for attending meetings of our Board and/or committees thereof, and reimbursement of expenses available to them. Our Executive Director may be deemed to be interested to the extent of remuneration, professional fees and reimbursement of expenses payable to them. For further details, see '*Related Party Transactions*' on page 314.

None of our Directors have any interest in the promotion or formation of our Company.

Our Directors may be interested to the extent of Equity Shares, if any, held by them, their relatives (together with other distributions in respect of Equity Shares), or held by the entities in which they are associated as partners, promoters, directors, proprietors, members or trustees, 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 and other distributions payable in respect of such Equity Shares.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they hold directorships or any partnership firm in which they are partners in the ordinary course of business. Further, the Directors may be deemed to be interested to the extent of the payments made by our Company, if any, to entities with which our Company has had related party transactions and where the Director is also director on the board, or is a shareholder or partners of such entities.

None of our Directors hold any shares in our Subsidiaries, as on date of this Draft Red Herring Prospectus.

There is no material existing or anticipated transaction whereby Directors will receive any portion of the proceeds from the Offer.

None of the relatives of the Directors have been appointed to an office or place of profit in our Company or its Subsidiaries.

Our Directors do not have any interest in any property acquired or proposed to be acquired of or by our Company. Further, our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery. Except in the ordinary course of business and as disclosed in “*Related Party Transactions*” on page 314, our Directors do not have any other business interest in our Company. No loans have been availed or extended by our Directors from, or to, our Company or the Subsidiaries.

#### Other confirmations

No consideration, either in cash or shares or in any other form has been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, as a member, by any person, either to induce any of our Directors to become or to help any of them qualify as a Director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors have been identified as Wilful Defaulters or Fraudulent Borrowers as defined under the SEBI ICDR Regulations.

#### Changes to our Board in the last three years

Except as mentioned below, there have been no changes in our Board of Directors in the last three years preceding the date of this Draft Red Herring Prospectus:

Name of Director	Designation (at the time of appointment / change in designation / cessation)	Date of appointment / change in designation / cessation	Reason
Sim Heng Joo Joe	Non-Executive Director	March 31, 2021	Resignation under section 168 of the Companies Act, 2013
Sim Heng Joo Joe	Non-Executive Director	April 6, 2021	Appointed as an alternate director to Dr. Kelvin Loh Chi-Keon.
Dilip Kadambi	Non-Executive Director	April 6, 2021	Appointment as a Non-Executive Director
Mousum Pal Choudhury	Non-Executive Director	January 10, 2022	Appointed as an alternate director to Praneet Singh
Mousum Pal Choudhury	Non-Executive Director	March 15, 2022	Vacation of office due to the arrival of the original director
Sim Heng Joo Joe	Non-Executive Director	May 3, 2022	Vacation of office due to the arrival of the original director
Kelvin Loh Chi-Keon	Non-Executive Director	February 22, 2023	Resignation under section 168 of the Companies Act, 2013
Sim Heng Joo Joe	Non-Executive Director	June 8, 2023	Appointed with effect from June 8, 2023.
Anand Kuppuswamy	Managing Director and Chief Executive Officer	August 4, 2023	Appointed with effect from August 4, 2023.
Sim Heng Joo Joe	Non-Executive Director	September 1, 2023	Sim Heng Joo Joe resigned from IHH Healthcare Berhad as group chief operating

Name of Director	Designation (at the time of appointment / change in designation / cessation)	Date of appointment / change in designation / cessation	Reason
			officer. Accordingly, he also resigned from our Company as a director.
Ashok Pandit	Non-Executive Director	September 15, 2023	Appointed with effect from September 15, 2023.
Praneet Singh	Non-Executive Director	September 24, 2023	Praneet Singh was appointed as a director in accordance with the Shareholders' Agreement. Pursuant to the decision of Resurgence PE Investments Limited, Praneet Singh has resigned from the Board.
Srinivas Chidambaram	Non-Executive Director	September 24, 2023	Srinivas Chidambaram was appointed as a director in accordance with the Shareholders' Agreement. Pursuant to the decision of NYLIM Jacob Ballas India Fund III LLC, Srinivas Chidambaram has resigned from the Board.

*Note: This table does not include details of regularisations of additional Directors.*

## Corporate Governance

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable requirements for corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, including those pertaining to the constitution of the Board and committees thereof.

## Committees of our Board

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board committees:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders' Relationship Committee
- (d) Corporate Social Responsibility Committee
- (e) Risk Management Committee

For purposes of the Offer, our Board has also constituted an IPO Committee.

### (a) Audit Committee

The Audit Committee, originally constituted as the audit and risk management committee on August 2, 2019, was reconstituted by a resolution of our Board dated September 23, 2023. It is in compliance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The current constitution of the Audit committee is as follows:

Name of Director	Position in the Committee	Designation
Suvalaxmi Chakraborty	Chairperson	Independent Director
Ravi Rajagopal	Member	Independent Director
Ashok Pandit	Member	Additional Non-Executive Director

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. Its terms of reference are as follows:

### **Powers of Audit Committee**

The Audit Committee shall have powers, including the following:

- (1) To investigate any activity within its terms of reference;
- (2) To seek information that it properly requires from any employee of the Company or any associate or subsidiary, joint venture Company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Committee from such employees;
- (3) To obtain outside legal or other professional advice;
- (4) To secure attendance of outsiders with relevant expertise, if it considers necessary and to seek their advice, whenever required;
- (5) To approve the disclosure of the Key Performance Indicators to be disclosed in the documents in relation to the initial public offering of the equity shares of the Company; and
- (6) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

### **Role of Audit Committee**

The role of the Audit Committee shall include the following:

- (1) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible;
- (2) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company and the fixation of audit fee;
- (3) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
- (4) 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 section 134 of the Companies Act;
  - (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 the management of the Company;
  - (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.
- (5) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- (6) Monitoring the end use of funds raised through public offers and 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 utilization of

proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/ application of the funds raised through the proposed initial public offer by the Company in accordance with applicable law;

- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) Formulating a policy on related party transactions, which shall include materiality of related party transactions and the definition of material modifications of related party transactions;
- (9) Approval of any subsequent modifications of transactions of the Company with related parties and omnibus approval (in the manner specified under the SEBI Listing Regulations and Companies Act) for related party transactions proposed to be entered into by the Company. Provided that only those members of the committee, who are independent directors, shall approve related party transactions;

*Explanation: The term "related party transactions" shall have the same meaning as provided in Regulation 2(1)(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act.*

- (10) Approval of related party transactions to which the subsidiary(ies) of the Company is party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company, subject to such other conditions prescribed under the SEBI Listing Regulations;
- (11) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- (12) Scrutiny of inter-corporate loans and investments;
- (13) Valuation of undertakings or assets of the company, wherever it is necessary;
- (14) Evaluation of internal financial controls and risk management systems;
- (15) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (16) 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;
- (17) Discussion with internal auditors of any significant findings and follow up there on;
- (18) 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;
- (19) 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;
- (20) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (21) Reviewing the functioning of the whistle blower mechanism;
- (22) Approval of the appointment of the Chief Financial Officer of the Company ("CFO") (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- (23) To formulate, review and make recommendations to the Board to amend the Audit Committee's terms of reference from time to time;



- (24) Overseeing a vigil mechanism established by the Company, providing for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee for directors and employees to report their genuine concerns or grievances;
- (25) Reviewing the utilization of loans and/or advances from / investment by the Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- (26) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- (27) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and
- (28) Carrying out any other functions and roles as provided under the Companies Act, the SEBI Listing Regulations, each as amended and other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

The Audit Committee shall mandatorily review the following information:

- (a) Management discussion and analysis of financial condition and results of operations;
- (b) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;
- (c) Internal audit reports relating to internal control weaknesses;
- (d) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- (e) Statement of deviations:
  - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
  - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.”
- (f) To carry out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company; and
- (g) To make available its terms of reference and review periodically those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

The Company Secretary of our Company shall serve as the secretary of the Audit Committee.

The Audit Committee is required to meet at least four times in a year under Regulation 18(2)(a) of the SEBI Listing Regulations. The quorum for a meeting of the Audit Committee shall be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

**(b) Nomination and Remuneration Committee**

The Nomination and Remuneration committee was reconstituted by a resolution of our Board dated September 23, 2023. The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations. The current constitution of the Nomination and Remuneration committee is as follows:

Name of Director	Position in the Committee	Designation
Suvalaxmi Chakraborty	Chairperson	Independent Director
Ravi Rajagopal	Member	Independent Director

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Ashok Pandit	Member	Additional Non-Executive Director

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013, read with Regulation 19 of the SEBI Listing Regulations. Its terms of reference are as follows:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel/Senior Management Personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) remuneration to directors, key managerial personnel and Senior Management Personnel 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.

For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- (i) use the services of an external agencies, if required;
  - (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - (iii) consider the time commitments of the candidates.
- (2) Formulation of criteria for evaluation of performance of independent directors and the Board;
  - (3) Devising a policy on Board diversity;
  - (4) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
  - (5) Analysing, monitoring and reviewing various human resource and compensation matters;
  - (6) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
  - (7) Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);
  - (8) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
  - (9) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
  - (10) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

- (11) Administering, monitoring and formulating the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the applicable laws:
- (i) Determining the eligibility of employees to participate under the ESOP Scheme;
  - (ii) Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
  - (iii) Date of grant;
  - (iv) Determining the exercise price of the option under the ESOP Scheme;
  - (v) The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
  - (vi) The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - (vii) The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
  - (viii) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - (ix) Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
  - (x) The grant, vest and exercise of option in case of employees who are on long leave;
  - (xi) Allow exercise of unvested options on such terms and conditions as it may deem fit;
  - (xii) The procedure for cashless exercise of options;
  - (xiii) Forfeiture/ cancellation of options granted;
  - (xiv) Formulate the procedure for buy-back of specified securities issued under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
    - permissible sources of financing for buy-back;
    - any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
    - limits upon quantum of specified securities that the Company may buy-back in a financial year.
  - (xv) Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
    - the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
    - for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
    - the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.

- (12) Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
- (13) Framing 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, as amended;
  - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended;
  - (c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- by the Company and its employees, as applicable.
- (14) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee;
- (15) Such terms of reference as may be prescribed under the Companies Act, SEBI Listing Regulations and other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

The Nomination and Remuneration Committee is required to meet at least once in a year under Regulation 19(3A) of the SEBI Listing Regulations.

The quorum for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members of the committee, whichever is greater, including at least one independent director.

**(c) Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee was reconstituted by a resolution of our Board dated September 25, 2023. The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations. The current constitution of the Stakeholders' Relationship Committee is as follows:

Name of Director	Position in the Committee	Designation
Dr. Ashutosh Raghuvanshi	Chairperson	Non-Executive Director
Ravi Rajagopal	Member	Independent Director
Anand Kuppuswamy	Member	Managing Director and Chief Executive Officer

The scope and function of the Stakeholders' Relationship Committee is in accordance with Regulation 20 of the SEBI Listing Regulations. Its terms of reference are as follows:

- (1) Redressal of all security holders' and investors' grievances such as complaints related to transfer/transmission of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, general meetings etc., and assisting with quarterly reporting of such complaints;
- (2) Reviewing of measures taken for effective exercise of voting rights by shareholders;
- (3) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (4) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated/new share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

- (5) Reviewing the 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;
- (6) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
- (7) Considering and specifically looking into various aspects of interest of shareholders, debenture holders or holders of any other securities;
- (8) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- (9) To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s) or agent(s); and
- (10) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

The Stakeholders' Relationship Committee is required to meet at least once in a year under Regulation 20(3A) of the SEBI Listing Regulations.

**(d) Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee was reconstituted by a resolution of our Board dated September 25, 2023. The current constitution of the Corporate Social Responsibility Committee is as follows:

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Dr. Ashutosh Raghuvanshi	Chairperson	Non-Executive Director
Suvalaxmi Chakraborty	Member	Independent Director
Anand Kuppaswamy	Member	Managing Director and Chief Executive Officer

The scope and function of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013. Its terms of reference are as follows:

- (a) To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder, monitor the implementation of the same from time to time and make any revisions therein as and when decided by the Board;
- (b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (c) To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (d) To formulate and recommend to the Board, an annual action plan in pursuance to the Corporate Social Responsibility Policy, which shall include the following, namely:
  - (i) the list of Corporate Social Responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in the Schedule VII of the Companies Act, 2013;
  - (ii) the manner of execution of such projects or programmes as specified in Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014;
  - (iii) the modalities of utilization of funds and implementation schedules for the projects or programmes;

- (iv) monitoring and reporting mechanism for the projects or programmes; and
- (v) details of need and impact assessment, if any, for the projects undertaken by the company.

Provided that the Board may alter such plan at any time during the financial year, as per the recommendations of the Corporate Social Responsibility Committee, based on the reasonable justification to that effect.

- (e) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (f) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- (g) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 or other applicable law.

**(e) Risk Management Committee**

The Risk Management Committee was constituted by a resolution of our Board dated September 25, 2023. The Risk Management Committee is in compliance with Regulation 21 of the SEBI Listing Regulations. The current constitution of the Risk Management Committee is as follows:

Name of Director	Position in the Committee	Designation
Dr. Ashutosh Raghuvanshi	Chairperson	Non-Executive Director
Ravi Rajagopal	Member	Independent Director
Anand Kuppuswamy	Member	Managing Director and Chief Executive Officer

The scope and function of the Risk Management Committee is in accordance with Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee shall be responsible for, among other things, the following:

- (1) To formulate a detailed risk management policy which shall include:
  - 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 (ESG) related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  - Measures for risk mitigation including systems and processes for internal control of identified risks; and
  - Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To review and recommend potential risk involved in any new business plans and processes;
- (4) To review the Company's risk-reward performance to align with the Company's overall policy objectives;
- (5) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (6) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

- (7) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (8) The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee;
- (9) To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- (10) Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
- (11) Framing, implementing, reviewing and monitoring the risk management plan for the Company and such other functions, including cyber security; and
- (12) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

The Risk Management Committee is required to meet at least twice in a year under Regulation 21(3A) of the SEBI Listing Regulations.

**Management organization chart**





## Key Managerial Personnel

The details of our Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are as set forth below:

**Anand Kuppaswamy** is the Managing Director and Chief Executive Officer of our Company since August 4, 2023. He joined our Company as the Chief Executive Officer on August 5, 2020. In Fiscal 2023, he received compensation of ₹ 47.36 million\* in his capacity as Chief Executive Officer of our Company.

For further details in relation to the profile of Anand Kuppaswamy, our Managing Director and Chief Executive Officer, see “*Our Management – Brief profiles of our Directors*” on page 213.

**Mangesh Shirodkar** is the Chief Financial Officer of our Company since January 1, 2020. He joined our Company on February 11, 2019. He oversees the finance, legal, commercial, mergers and acquisitions operations in our Company. He holds a bachelor’s degree in commerce from the University of Mumbai. He is a member of the Institute of Chartered Accountants of India. He has experience in finance and accounts. Prior to joining our Company, he worked with Hiranandani Healthcare Private Limited, Fortis Healthcare Limited, Wockhardt Hospitals Limited, Talwalkars Better Value Fitness Limited and Praxair India Private Limited. In Fiscal 2023, he received compensation of ₹ 16.71 million\*.

**Trapti** is the Company Secretary and Compliance Officer of our Company since September 25, 2023. She oversees the corporate governance functions in our Company. She holds a bachelor's degree in commerce from the University of Kota. She is an associate member of the Institute of Company Secretaries of India. She has experience in legal and secretarial. Prior to joining our Company, she worked with Varun Beverages Limited, Aviva Life Insurance Company (India) Limited, Fortis Healthcare Limited and International Hospital Limited. Since she has been appointed as our Company Secretary and Compliance Officer in Fiscal 2024, she did not receive any remuneration from our Company in Fiscal 2023.

## Senior Management Personnel

In addition to our Chief Executive Officer, Chief Financial Officer and Company Secretary and Compliance Officer, whose details are disclosed under “– *Key Managerial Personnel*” on page 229, the details of our Senior Management Personnel as on the date of this Draft Red Herring Prospectus are as set forth below:

**Ashish Bhatia** is the Chief Operating Officer of our Company since April 27, 2023. He oversees the sales function in our Company. He holds a bachelor’s degree in technology from Nagpur University and a post graduate diploma in management from the S.P. Jain Institute of Management and Research, Mumbai. He has experience in operations management. Prior to joining our Company, he worked with Castrol India Limited, Sistema Shyam Teleservices Limited, SITI Networks Limited, Max Healthcare Institute Limited, Max Lab Limited, Tata Teleservices Limited. Since he has been appointed as our Chief Operating Officer in Fiscal 2024, he did not receive any remuneration from our Company in Fiscal 2023.

**Radhakrishna Pillai** is the Chief Information Technology Officer of our Company since September 22, 2006. He joined our Company on January 19, 1998. He oversees the information technology function in our Company. He holds a bachelor’s degree in science with a specialisation in statistics from the University of Kerala and a diploma in marketing management from the Institute of Management and Professional Studies, Bombay. He has over 25 years of experience in information technology. Prior to joining our Company, he worked with Transpower Engineering Limited, Nimbus Communications Limited, Vadilal Dairy International Limited, Frisco International Private Limited in Fiscal 2023, he received compensation of ₹ 8.99 million\*.

**Piyush Jain** is the Chief Digital Officer of our Company since May 4, 2022. He oversees the marketing function in our Company. He holds a bachelor’s degree in electronics and communication engineering from Hemwati Nandan Bahuguna Garhwal University Srinagar (Garhwal), Uttaranchal, a post graduate diploma in management (information technology) from the Institute of Management Technology, Ghaziabad and an exchange program at KEDGE Business School (formerly known as Euromed Marseille Ecole de Management). He has over 12 years of experience in marketing. Prior to joining our Company, he worked with Double You Technologies Private Limited, U2opia Mobile Private Limited, McKinsey & Company India LLP and Google India. In Fiscal 2023, he received compensation of ₹ 18.11 million\*.

**Varun Mehta** is the Director - Human Resources of our Company since January 1, 2012. He joined our Company on October 1, 2011. He oversees the human resources and administration function in our Company. He holds a bachelor's degree in science and a master's degree in business administration, both from Kurukshetra University. He has over 20 years of experience in human resources. Prior to joining our Company, he worked with Convergys India Services Private Limited and Religare Enterprises Limited. In Fiscal 2023, he received compensation of ₹ 8.21 million\*.

\*Including performance link bonus payment and proportionate retention bonus for Fiscal 2023 paid in Fiscal 2024 (as may be applicable) and excluding performance link bonus payment for Fiscal 2022 paid in Fiscal 2023 (as may be applicable).

#### **Arrangements or understanding with major Shareholders, customers, suppliers or others**

None of our Key Managerial Personnel or Senior Management Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

#### **Changes in the Key Managerial Personnel and Senior Management Personnel in last three years**

Except as mentioned below, and as specified in “– Changes to our Board in the last three years” on page 217, there have been no changes in the Key Managerial Personnel and Senior Management Personnel in the last three years preceding the date of this DRHP:

<b>Name</b>	<b>Date of change</b>	<b>Reason</b>
<b>Key Managerial Personnel</b>		
Sumit Goel	April 18, 2022	Resigned as company secretary to embark on new challenges
Murlee Jain	May 20, 2022	Appointed as company secretary of the Company
Murlee Jain	September 23, 2023	Resigned as company secretary to focus on his role in Fortis Healthcare Limited, given the extended responsibilities in relation to the proposed initial public offering of Agilus Diagnostics Limited
Trapti	September 25, 2023	Appointed as the Company Secretary and Compliance Officer of the Company
<b>Senior Management Personnel</b>		
Pralabh Verma	February 8, 2021	Appointed as chief marketing officer
Vikram Alhuwalia	March 31, 2021	Resigned as director – marketing due to personal reasons
Sameer Anjaria	June 1, 2021	Appointed as chief operating officer
Anindya Chowdhury	June 15, 2021	Resigned as regional chief operating officer due to personal reasons
Ravi Aggarwal	August 31, 2021	Resigned as regional chief operating officer due to personal reasons
Piyush Jain	May 4, 2022	Appointed as Chief Digital Officer
Pralabh Verma	August 22, 2022	Resigned as chief marketing officer for better opportunities
Sameer Anjaria	February 14, 2023	Resigned as chief operating officer due to personal reasons
Ashish Bhatia	April 27, 2023	Appointed as Chief Operating Officer

The attrition of our Key Managerial Personnel and Senior Management Personnel is not high compared to the industry.

#### **Status of Key Managerial Personnel and Senior Management Personnel**

As on the date of this Draft Red Herring Prospectus, all our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

#### **Retirement and termination benefits**

Our Key Managerial Personnel and Senior Management Personnel have not entered into any service contracts with our Company which include termination or retirement benefits. Except gratuity and other statutory benefits

upon termination of their employment in our Company or superannuation, none of the Key Managerial Personnel or Senior Management Personnel are entitled to any benefit upon termination of employment or superannuation.

#### **Shareholding of our Key Managerial Personnel and Senior Management Personnel**

None of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares in our Company. Our Chief Information Technology Officer holds 52,534 employee stock options under ESOP 2009 and 20,000 employee stock options under ESOP 2013.

#### **Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management Personnel**

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation which accrued to our Key Managerial Personnel and Senior Management Personnel for Fiscal 2023, which does not form part of their remuneration for such period.

#### **Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management Personnel**

Other than the performance linked bonus payment and proportionate retention bonus payment as a component of the remuneration, as on the date of this Draft Red Herring Prospectus, our Company has no bonus or profit-sharing plan in which the Key Managerial Personnel and Senior Management Personnel participate.

Our Company may explore a cash bonus payment plan to incentivise and retain employees including certain Key Managerial Personnel and Senior Management Personnel wherein such bonus payments to identified employees would be linked to the Company achieving certain financial parameters (“**Bonus Plan**”). The Bonus Plan once formulated, shall be subject to approval of the Nomination and Remuneration Committee.

#### **Interest of Key Managerial Personnel and Senior Management Personnel**

For further details of the interest of our Executive Director in our Company, see “*Our Management – Interest of Directors*” on page 216.

Our Key Managerial Personnel and Senior Management Personnel are interested in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service. For further details see “*Financial Information - Restated Consolidated Financial Information- Note 39 - Related party disclosures*” on page 279.

Our Key Managerial Personnel and Senior Management may be interested to the extent of employee stock options that may be granted to them from time to time under the ESOP 2009 and ESOP 2013 and other employee stock option schemes that may be formulated by our Company from time to time.

No loans have been availed by our Key Management Personnel or Senior Management Personnel from our Company as on the date of this Draft Red Herring Prospectus.

#### **Payment or Benefit to officers of our Company (non-salary related)**

No non-salary related amount or benefit has been paid or given within the two years preceding the date of the Draft Red Herring Prospectus or is intended to be paid or given to any officer of our Company, including our Directors and Key Managerial Personnel and Senior Management Personnel.

#### **Employee Stock Option Plan**

For details of our Company’s employee stock option plan, see “*Capital Structure – Employee Stock Option Schemes*” on page 95.

## OUR PROMOTER AND PROMOTER GROUP

### Our Promoter

The Promoter of our Company is Fortis Healthcare Limited. As on the date of this Draft Red Herring Prospectus, Fortis Healthcare Limited holds 45,236,779 Equity Shares representing 57.68% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For further details, see “*Capital Structure – Build-up of the Promoter’s shareholding in our Company*” on page 92.

### Details of our Promoter

#### ***Fortis Healthcare Limited (“Fortis”)***

##### *Corporate information and brief history*

Fortis was incorporated on February 28, 1996, as ‘Rancare Limited’ as a public limited company under the Companies Act, 1956. Fortis’ name was subsequently changed to ‘Fortis Healthcare Limited’ pursuant to shareholders resolution dated June 7, 1996 and a fresh certificate of incorporation was issued on June 20, 1996. Further, Fortis’ name was changed to ‘Fortis Healthcare (India) Limited’ pursuant to a shareholders resolution dated February 21, 2011 and a fresh certificate of incorporation was issued on March 7, 2011. Subsequently, Fortis’ name was changed to its present name pursuant to a shareholders resolution dated February 23, 2012, and a fresh certificate of incorporation was issued on March 6, 2012.

The equity shares of Fortis are listed on the Stock Exchanges. The registered office of Fortis is situated at Fortis Hospital, Sector-62 Phase-VIII, Mohali 160 062, Punjab India.

Fortis is engaged in the business of providing integrated healthcare delivery services such as healthcare, diagnostics and related businesses, including that of managing and operating a network of multi-speciality hospitals and providing preventive healthcare as authorized under the objects clause of its memorandum of association. Fortis has not changed its activities from the date of its incorporation.

##### *Capital structure*

Particulars	Aggregate Nominal Value (₹ in million)
<b>Authorised share capital</b>	
850,000,000 equity shares of ₹10 each and 76,000,200 preference shares comprising of 200 Class ‘A’ non-cumulative redeemable preference shares of ₹100,000 each, 11,498,846 Class ‘B’ non-cumulative redeemable preference shares of ₹10 each, and 64,501,154 Class ‘C’ cumulative redeemable preference shares of ₹10 each	9,280.00
<b>Issued, subscribed and paid-up share capital</b>	
754,958,148 equity shares of ₹10 each	7,549.58

##### *Board of Directors*

The Board of Directors of Fortis comprise of the following:

S. No.	Name	Designation
1.	Ravi Rajagopal	Chairman and independent director
2.	Dr. Ashutosh Raghuvanshi	Managing director and chief executive officer
3.	Indrajit Banerjee	Independent director
4.	Suvalaxmi Chakraborty	Independent director
5.	Shailaja Chandra	Independent director
6.	Lim Tsin Lin	Non-executive director
7.	Dilip Kadambi	Non-executive director
8.	Ashok Pandit	Additional non-executive director
9.	Mehmet Ali Aydinlar	Non-executive director
10.	Joerg Ayrle	Non-executive director
11.	Tomo Nagahiro	Non-executive director

The shareholding pattern of Fortis as on June 30, 2023, is as follows:

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 Equity 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 Equity Share capital) (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)
								Number of voting rights			Total as a % of (A+B+C)			Number (a)	As a % of total Equity Shares held (b)	Number (a)	As a % of total Equity Shares held (b)	
								Class eg: Equity Shares	Class eg: others	Total								
(A)	Promoter and Promoter Group	1	235,294,117	0	0	235,294,117	31.17	235,294,117	-	235,294,117	235,294,117	0	31.17	0	0	0	0	235,294,117
(B)	Public	135,046	519,664,031	0	0	519,664,031	68.83	519,664,031	-	519,664,031	519,664,031	0	68.83	0	0	0	0	518,853,702
(C)(1)	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C)(2)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Total</b>	135,047	754,958,148	0	0	754,958,148	100	754,958,148	0	754,958,148	754,958,148	0	100	0	0	0	0	754,147,819

Our Company confirms that the PAN, CIN, bank account number of our Promoter and the details of the Registrar of Companies, Punjab and Chandigarh at Chandigarh, where our Promoter is registered will be submitted to the Stock Exchanges, at the time of filing of this Draft Red Herring Prospectus with the Stock Exchanges.

*Details of the promoter of Fortis*

The promoter of Fortis is Northern TK Venture Pte. Ltd. (“**Northern TK**”). Northern TK was incorporated in Singapore on May 29, 2017, as a private company under the Companies Act, 1967 of Singapore. Presently, no natural person holds fifteen percent or more of the voting rights in Northern TK.

*Board of directors of Northern TK*

As on the date of this Draft Red Herring Prospectus, the board of directors of Northern TK comprises of the following:

S. No.	Name	Designation
1.	Joerg Ayrle	Director
2.	Aanchal Agarwal	Director
3.	Dr. Prem Kumar Nair	Director

**Details of acquisition of control, date of acquisition, terms of acquisition and consideration paid for acquisition**

While our Promoter is not the original promoter of our Company, there has been no change in control of our Company in the last five years preceding the date of the DRHP. However, pursuant to a resolution of the Board of Directors dated September 29, 2018, the shareholding of Arjun Sodhi (trustee) on behalf of MnJ Trust was reclassified from the ‘Promoter and promoter group’ shareholding category to the ‘Public’ shareholding category of our Company. For further details of acquisition of Equity Shares by our Promoter, see “*Capital Structure - Details of Shareholding of our Promoter and members of the Promoter Group in our Company*” on 91.

**Change in control in the last three years**

There has been no change in the control of our Promoter in the last three years preceding the date of this Draft Red Herring Prospectus.

**Interests of Promoter**

Our Promoter is interested in our Company: (i) to the extent that it is the promoter of our Company; and (ii) to the extent of its shareholding in and control over our Company and the dividend payable upon such shareholding and any other distributions in respect of their shareholding in our Company. For further details, see “*Capital Structure*” on page 84. Additionally, our Promoter may be interested in transactions entered into by our Company with it, or other entities (i) in which our Promoter holds shares, or (ii) which are controlled by our Promoter. For further details, see “*Restated Consolidated Financial Information – Note 39 - Related party disclosures*” on page 279.

Except in the ordinary course of business and as stated in the “*Restated Consolidated Financial Information – Note 39 - Related party disclosures*” on page 279, our Company has not entered into any contract, agreements or arrangements in which our Promoter is directly or indirectly interested, and no payments have been made to our Promoter in respect of the contracts, agreements or arrangements which are proposed to be made with it.

No sum has been paid or agreed to be paid by our Company, to our Promoter or to such firm or company in cash or shares wherein our Promoter is interested as member, or promoter or otherwise as an inducement by any person for services rendered by our Promoter or by such firm or company in connection with the promotion or formation of our Company.

Our Promoter has no interest, whether direct or indirect, in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

### **Payment or benefits to our Promoter or Promoter Group in the last two years**

Except as disclosed herein and as stated in “*Restated Consolidated Financial Information- Note 39 - Related party disclosures*” on page 279, there has been no amount or benefits paid or given by our Company to our Promoter and our Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefits to our Promoter or Promoter Group as on the date of this Draft Red Herring Prospectus.

### **Companies or firms with which our Promoter has disassociated in the last three years**

Except as disclosed below, our Promoter has not disassociated itself from any other company or firm in the three years preceding the date of this Draft Red Herring Prospectus:

<b>Name of company/firm</b>	<b>Reasons and circumstances of disassociation</b>	<b>Date of disassociation</b>
Sunrise Medicare Private Limited	Strike-off	August 17, 2021

### **Material guarantees given by our Promoter with respect to the Equity Shares**

As on the date of this Draft Red Herring Prospectus, our Promoter has not given any material guarantee to any third party with respect to the Equity Shares.

### **Promoter Group**

In addition to our Promoter, Subsidiaries and Joint Venture, the entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

1. IHH Healthcare Berhad;
2. Integrated Healthcare Holdings Limited;
3. Parkway Pantai Limited;
4. Northern TK Venture Pte. Ltd.;
5. Fortis Hospotel Limited;
6. International Hospital Limited;
7. Escorts Heart and Super Specialty Hospital Limited;
8. Fortis Health Management Limited;
9. Hospitalia Eastern Private Limited;
10. Hiranandani Healthcare Private Limited;
11. Adayu Mindfulness Limited (formerly knowns as Fortis La Femme Limited);
12. Fortis Healthcare International Limited;
13. Fortis Hospitals Limited;
14. Fortis C-Doc Healthcare Limited;
15. Fortis Health Management (East) Limited;
16. Fortis Cancer Care Limited;
17. Fortis Malar Hospitals Limited;
18. Malar Stars Medicare Limited;
19. Birdie & Birdie Realtors Private Limited;
20. Stellant Capital Advisory Services Private Limited;
21. RHT Health Trust Manager Pte. Limited;
22. Fortis Global Healthcare (Mauritius) Limited;
23. Fortis Emergency Services Limited;
24. Escorts Heart Institute and Research Centre Limited;
25. Fortis HealthStaff Limited;
26. Fortis Asia Healthcare Pte. Limited
27. Mena Healthcare Investment Company Limited;
28. Medical Management Company Limited;
29. Fortis CSR Foundation; and
30. The Lanka Hospitals Corporation Plc.

## GROUP COMPANIES

As per the SEBI ICDR Regulations, for the purpose of identification of group companies, our Company has considered companies (other than our Subsidiaries and Promoter) with which our Company has entered into (i) related party transactions during the period for which the Restated Consolidated Financial Information has been included in this Draft Red Herring Prospectus, i.e., Fiscals 2021, 2022 and 2023, as covered under the applicable accounting standards, and (ii) such other companies as considered material by the Board, in accordance with the Materiality Policy.

For the purposes of (ii) above, in terms of the Materiality Policy, a company (other than our Subsidiaries, our Promoter and the companies covered under (i) above) shall be considered material and disclosed as a group company if it is a member of the Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and our Company has entered into one or more transactions with such company during the last completed fiscal year, which individually or cumulatively in value exceeds 10% of the revenue from operations of our Company for the last completed fiscal year as per the Restated Consolidated Financial Information.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company has the following Group Companies:

1. Agilus Diagnostics Nepal Private Limited
2. Apollo Hospitals Enterprise Limited
3. Apollo Multispeciality Hospitals Limited (Formerly, Apollo Gleneagles Hospital Limited)
4. Bharat Certis Agriscience Limited (Formerly, Bharat Insecticides Limited)
5. Centre for Digestive and Kidney Diseases (India) Private Limited
6. Continental Hospitals Private Limited
7. Escorts Heart Institute & Research Centre Limited
8. Fortis C-DOC Healthcare Limited
9. Fortis Health Management Limited
10. Fortis Hospitals Limited
11. Fortis Malar Hospitals Limited
12. Hiranandani Healthcare Private Limited
13. International Hospital Limited
14. Lanka Hospitals Diagnostics (Private) Limited
15. Ravindranath GE Medical Associates Private Limited
16. Trivitron Health Care Private Limited

### Details of our top five Group Companies

Our top five Group Companies, in accordance with the SEBI ICDR Regulations, comprise of Apollo Hospitals Enterprise Limited, Fortis Malar Hospitals Limited, Fortis Hospitals Limited, Trivitron Health Care Private Limited and Apollo Multispeciality Hospitals Limited (formerly, Apollo Gleneagles Hospital Limited).

In accordance with the SEBI ICDR Regulations, details of our top five Group Companies have been set out below and certain financial information in relation to these entities for the last three Financial Years, extracted from their respective audited financial statements is available on the websites indicated below.



1. Apollo Hospitals Enterprise Limited (“**AHEL**”)

***Registered Office***

The registered office of AHEL is situated at No. 19 Bishop Gardens, Raja Annamalaipuram, Chennai – 600 028, Tamil Nadu, India.

***Financial information***

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited standalone financial statements of AHEL for the last three Financial Years are available on its website at [www.apollohospitals.com](http://www.apollohospitals.com).

2. Fortis Malar Hospitals Limited (“**FMHL**”)

***Registered Office***

The registered office of FMHL is situated at Fortis Hospital, Sector-62, Phase-VIII, Mohali, Punjab, 160062, India.

***Financial information***

Information with respect to reserves (excluding revaluation reserves), revenue from operations, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited standalone financial statements of FMHL for the last three Financial Years are available on its website at [www.fortismalar.com/investor-relations](http://www.fortismalar.com/investor-relations).

3. Fortis Hospitals Limited (“**FHsL**”)

***Registered Office***

The registered office of FHsL is situated at Escorts Heart Institute and Research Centre, Okhla Road, New Delhi, 110025, India.

***Financial information***

Information with respect to reserves (excluding revaluation reserves), revenue from operations, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited standalone financial statements of FHsL for the last three Financial Years are available on the website of our Company at <https://agilusdiagnostics.com/investors/draft-red-herring-prospectus-and-related-documents>.

4. Trivitron Health Care Private Limited (“**THCPL**”)

***Registered Office***

The registered office of THCPL is situated at Trivitron Sapthagiri Bhawan, 15, IV Street Abhiramapuram, Chennai - 600018, Tamil Nadu, India.

***Financial information***

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited standalone financial statements of THCPL for the last three Financial Years are available on the website of our Company at <https://agilusdiagnostics.com/investors/draft-red-herring-prospectus-and-related-documents>.

5. Apollo Multispeciality Hospitals Limited (formerly, Apollo Gleneagles Hospital Limited) (“**AMHL**”)

***Registered Office***

The registered office of AMHL is situated at 58, Canal Circular Road, Kolkata – 700054, West Bengal, India.

### ***Financial information***

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited standalone financial statements of AMHL for the last three Financial Years are available on the website of our Company at <https://agilusdiagnostics.com/investors/draft-red-herring-prospectus-and-related-documents>.

### **Details of other Group Companies**

1. Agilus Diagnostics Nepal Private Limited (“**ADNPL**”)  
The registered office of ADNPL is situated at Maharajgunj, ward No. 3 (Opposite US Embassy) P.O. Box 275 Kathmandu, Nepal.
2. Bharat Certis Agriscience Limited (Formerly, Bharat Insecticides (“**BCAL**”))  
The registered office of BIL is situated at Office Unit 301, 3rd Floor, Worldmark 3, Asset No.7, Hospitality District, Aerocity, NH-8, NA New Delhi– 110037, India.
3. Centre for Digestive and Kidney Diseases (India) Private Limited (“**CDKDPL**”)  
The registered office of CDKDPL is situated at Global Hospital, Super-Speciality & Transplant Centre, 35, Dr E. Borges Rd, Hospital Avenue, Parel Mumbai, Maharashtra - 400012, India.
4. Continental Hospitals Private Limited (“**CHPL**”)  
The registered office of CHPL is situated at Plot No.3, Road No. 2, IT & Financial District, Gachibowli, Hyderabad - 500035, Telangana, India.
5. Escorts Heart Institute & Research Centre Limited (“**EHIRCL**”)  
The registered office of EHIRCL is situated at SCO-11, Sector 11-D, Chandigarh - 160011, India.
6. Fortis C-DOC Healthcare Limited (“**FCDOC**”)  
The registered office of FCDOC is situated at Escorts Heart Institute and Research Centre Ltd, Okhla Road, New Delhi - 110025, India.
7. Fortis Health Management Limited (“**FHML**”)  
The registered office of FHML is situated at Escorts Heart Institute and Research Centre, Okhla Road, New Delhi - 110025, India.
8. Hiranandani Healthcare Private Limited (“**HHPL**”)  
The registered office of HHPL is situated at Mini Seashore Road, Sector-10A, Plot No. 28, Vashi Navi Mumbai, Mumbai - 400703, Maharashtra, India.
9. International Hospital Limited (“**IHL**”)  
The registered office of IHL is situated at Fortis Memorial Research Institute, Sector – 44, Gurgaon, 122002, Haryana, India.
10. Lanka Hospitals Diagnostics (Private) Limited (“**LHDL**”)  
The registered office of LHDL is situated at No. 578, Elvitigala Mawatha, Colombo 05, Sri Lanka.
11. Ravindranath GE Medical Associates Private Limited (“**RGMAPL**”)  
The registered office of RGMAPL is situated at Plot No. 439, Cheran Nagar, Perumbakkam, Chennai, Tamil Nadu - 600100, India.

## **Nature and extent of interest of our Group Companies**

### ***In the promotion of our Company***

None of our Group Companies have an interest in the promotion of our Company.

### ***In the properties acquired by our Company in the past three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company***

None of our Group Companies are interested in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

### ***In transactions for acquisition of land, construction of building and supply of machinery, etc.***

None of our Group Companies are interested in any transaction for acquisition of land, construction of building or supply of machinery, etc entered into by our Company.

## **Common pursuits among our Group Companies and our Company**

As on date of this Draft Red Herring Prospectus, Agilus Diagnostics Nepal Private Limited is engaged in the same line of business as that of our Company and accordingly, there are certain common pursuits between our Company and such Group Company. However, there is no conflict of interest between such Group Company and our Company. We shall adopt necessary procedures and practices as permitted by law to address any conflict of interest, if and when they may arise.

Other than the above, our Group Companies are not involved in any common pursuits with our Company as on date of this Draft Red Herring Prospectus.

## **Related business transactions within the group and significance on the financial performance of our Company**

Except as disclosed in “*Restated Consolidated Financial Information – Note 39 - Related party disclosures*” on page 279, there are no other related business transactions with our Group Companies which are significant to the financial performance of our Company.

## **Litigation**

Except for the litigations involving EHIRCL and FHsL disclosed in “*Outstanding Litigation and Other Material Developments – Litigation Involving Our Group Companies which may have a Material Impact on Our Company*” on page 373, as on the date of this Draft Red Herring Prospectus, there is no other pending litigation involving our Group Companies which will have a material impact on our Company.

## **Business interest of our Group Companies**

Except in the ordinary course of business and as disclosed in “*Restated Consolidated Financial Information – Note 39 - Related party disclosures*” on page 279, none of our Group Companies have any business interest in our Company.

## **Other confirmations**

Except for Fortis Malar Hospitals Limited and Apollo Hospitals Enterprise Limited, none of our Group Companies have any securities listed on any stock exchange.

## DIVIDEND POLICY

The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act.

The dividend policy of our Company was adopted pursuant to the resolution of our Board dated May 20, 2022 (“**Dividend Distribution Policy**”). In terms of the Dividend Distribution Policy, our Board will consider various external and internal factors including financial parameters before declaring or recommending dividend to Shareholders, including, amongst others, the financial performance, the cash flow and liquidity position of our Company, the distributable surplus available under law, the retained earnings that shall be utilized to meet business expansion including growth plans (organic and inorganic), mergers and acquisitions, additional investment in subsidiaries/ joint ventures/ associates, prevailing economic and market conditions, financial capacity needed to address any contingencies that may arise in the future including foreseeable opportunities and threats in the globalized competitive context. Our ability to pay dividend may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements which our Company is currently a party to or may enter into from time to time. For more information on restrictive covenants under our loan agreements, see “*Financial Indebtedness*” on page 350.

The past trend in relation to our payment of dividends is not necessarily indicative of our dividend trend or Dividend Distribution Policy, in the future, and there is no guarantee that any dividends will be declared or paid in the future. For further details in relation to the risk involved, see “*Risk Factors – Internal Risks - Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*” on page 56.

Except as disclosed below, our Company has not paid any dividends on the Equity Shares during the last three Fiscals, and for period beginning on April 1, 2023, until the date of this Draft Red Herring Prospectus:

Particulars	Period in which dividend was paid			
	Fiscal 2021	Fiscal 2022	Fiscal 2023	April 1, 2023 until the date of this DRHP
Number of Equity Shares	78,425,542	78,425,542	78,425,542	78,425,542
Face value per Equity Share (in ₹)	10	10	10	10
Total dividend paid (in ₹ million)	-	-	372.52	233.71
Dividend per Equity Share (in ₹)*	-	-	4.75	2.98
Rate of dividend (%) <sup>§</sup>	-	-	47.50	29.80
Mode of payment of dividend	-	-	Banking Channel	Banking Channel
Dividend distribution tax (%)	-	-	-	-

\* Dividend per equity share = Total dividend/ Number of equity shares

§ Rate of dividend = Dividend per equity share/ Face value per equity share

**SECTION VI – FINANCIAL INFORMATION**  
**RESTATED CONSOLIDATED FINANCIAL INFORMATION**

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## INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors  
Agilus Diagnostics Limited (Formerly known as SRL Limited)  
Fortis Hospital, Sector 62,  
Phase VIII, Mohali,  
Punjab - 160062

Dear Sirs,

1. We, B S R & Co. LLP, Chartered Accountants (“we” or “us” or “**B S R**”), have examined the attached Restated Consolidated Financial Information of Agilus Diagnostics Limited (Formerly known as SRL Limited) (the “**Company**” or the “**Holding Company**” or the “**Issuer**”), its subsidiaries (the Company and its subsidiaries together referred to as the “**Group**”), and its joint ventures, comprising the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2023, 31 March 2022 and 31 March 2021, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the years ended 31 March 2023, 31 March 2022 and 31 March 2021, the Summary 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 25 September 2023 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 from time to time (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 (“**SEBI**”), the stock exchanges where the equity shares of the Company are proposed to be listed (“**Stock Exchanges**”) and the Registrar of Companies, National Capital Territory of Delhi and Haryana, situated at New Delhi (“**ROC**”) 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(a) of Annexure V to the Restated Consolidated Financial Information.

The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for 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 and its joint ventures 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 07 August 2023 in connection with the proposed IPO of equity shares of the Company.
  - b) The Guidance Note. 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 proposed IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from the audited consolidated financial statements of the Group and its joint ventures as at and for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 prepared in accordance with the Indian Accounting Standards (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 (the "**consolidated financial statements**"), which have been approved by the Board of Directors of the Company at their meetings held on 18 May 2023, 20 May 2022 and 20 May 2021, respectively.
5. For the purpose of our examination, we have relied on auditor's report issued by us dated 18 May 2023, 20 May 2022 and 20 May 2021 respectively on the consolidated financial statements as at and for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 respectively as referred in Paragraph 4 above. The auditor's reports on the consolidated financial statements of the Group and its joint ventures as at and for the year ended 31 March 2023, 31 March 2022 and 31 March 2021 included the following audit qualifications and emphasis of matter ("EOM") paragraphs (as described in Annexure VI to the Restated Consolidated Financial Information):

- (i) our audit of the consolidated financial statements as of and for the year ended 31 March 2023 which includes reference to:

- a. Emphasis of matter paragraph related to ongoing investigation:

We draw attention to Note 56 and 57 of the consolidated financial statements which deals with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") on Fortis Healthcare Limited ("FHL" or the "Parent Company") and its subsidiaries ("the Fortis Group") regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013. These transactions and non-compliances relate to or originated prior to take over of control of Parent Company by its reconstituted board of directors in the year ended 31 March 2018. As mentioned in the note, the Group has been submitting information required by SFIO and is also cooperating in the regulatory investigations.

As explained in the said note, the Fortis Group had recorded significant adjustments/provisions in its books of account during the year ended 31 March 2018. The Parent Company has launched legal proceedings and has also filed a complaint with the Economic Offences Wing ('EOW') against erstwhile promoters and their related

entities based on the findings of the investigation conducted by the Fortis Group. Based on management's detailed analysis and consultation with external legal counsel, any further financial impact, to the extent it can be reliably estimated as at present, is not expected to be material.

Our opinion is not modified in respect of this matter.

b. Audit qualification relating to maintenance of proper books of account:

In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except that the back-up of the books of account and other relevant books and papers in electronic mode for one of the Group's laboratory has not been kept on servers physically located in India on a daily basis.

(ii) our audit of the consolidated financial statements as of and for the year ended 31 March 2022 which includes reference to:

a. Emphasis of matter paragraph related to ongoing investigation:

We draw attention to Note 56 and 57 of the consolidated financial statements which deals with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") on Fortis Healthcare Limited ("FHL" or the "Parent Company") and its subsidiaries ("the Fortis Group") regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013. These transactions and non-compliances relate to or originated prior to take over of control of Parent Company by its reconstituted board of directors in the year ended 31 March 2018. As mentioned in the note, the Group has been submitting information required by SFIO and is also cooperating in the regulatory investigations.

As explained in the said note, the Fortis Group had recorded significant adjustments/provisions in its books of account during the year ended 31 March 2018. The Parent Company has launched legal proceedings and has also filed a complaint with the Economic Offences Wing ('EOW') against erstwhile promoters and their related entities based on the findings of the investigation conducted by the Fortis Group. Based on management's detailed analysis and consultation with external legal counsel, any further financial impact, to the extent it can be reliably estimated as at present, is not expected to be material.

Our opinion is not modified in respect of this matter.

(iii) our audit of the consolidated financial statements as of and for the year ended 31 March 2021 which includes reference to:

a. Emphasis of matter paragraph related to ongoing investigation:

We draw attention to Note 54 and 55 of the consolidated financial statements which deals with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") on Fortis Healthcare Limited ("FHL" or the "Parent Company") and its subsidiaries (the "Fortis Group") regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013 and SEBI laws and regulations. These transactions and non-compliances relate to or originated prior to take over of control of Parent Company by its reconstituted board of directors in the year ended 31 March 2018. As mentioned in the note, the Fortis Group has been submitting information required by SFIO and is cooperating in the regulatory investigations.



As explained in the said note, the Fortis Group had recorded significant adjustments/provisions in its books of account during the year ended 31 March 2018. The Parent Company has launched legal proceedings and has also filed a complaint with the Economic Offences Wing ('EOW') against erstwhile promoters and their related entities based on the findings of the investigation conducted by the Fortis Group. Based on management's detailed analysis and consultation with external legal counsel, any further financial impact, to the extent it can be reliably estimated as at present, is not expected to be material.

Our opinion is not modified in respect of this matter.

b. Emphasis of matter paragraph related to civil suit:

As explained in Note 56 of the consolidated financial statements, a Civil Suit claiming Rs. 2,534.40 million was filed by a third party against various entities including the Company and certain entities within the Fortis Group relating to "Fortis, SRL and La-Femme" brands. Based on legal advice of external legal counsel, the Management believes that the claims are without legal basis and not tenable. Further, as mentioned in Note 56 of the consolidated financial statements, the tenure of brand license agreement entered by the Company has expired and the Parent Company has filed an application before the Hon'ble Supreme Court of India seeking permission for change of company name, brand and logo. The matter is currently sub-judice.

Our opinion is not modified in respect of this matter.

6. As indicated in our audit reports referred above:

We did not audit the financial statements of one subsidiary (as mentioned in Annexure A), included in the Group, as of and for the years ended 31 March 2023, 31 March 2022 and 31 March 2021, whose financial statements reflect total assets, total revenues and net cash inflows / (outflows) included in the Audited Consolidated Financial Statements, for the relevant years as tabulated below. Further, we did not audit the financial statements of one joint venture for the years ended 31 March 2023 and 31 March 2022 and two joint ventures for the year ended 31 March 2021 (as mentioned in Annexure A) whose financial statements reflect the consolidated entities' share of profits (and other comprehensive income), for the relevant years as tabulated below. These financial statements have been audited by other auditors whose reports have been furnished to us by the Company's management and our opinion, in so far as it relates to the amounts and disclosures included in respect of such subsidiary and joint ventures, is based solely on the reports of the other auditors.

(Rs. in million)

Particulars	As at and for the year ended		
	31 March 2023	31 March 2022	31 March 2021
Total assets	214.06	334.81	252.84
Total revenue	144.14	378.03	154.68
Net cash inflows/ (outflows)	(34.13)	(57.60)	108.63
Share of profit in its joint ventures	0.10	3.07	436.30

Out of these, one subsidiary and one joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiary and joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally

accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary and joint venture located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the Restated Consolidated Financial Information is not modified in respect of these matters.

7. Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Financial Information:
  - a) has been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended 31 March 2022 and 31 March 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended 31 March 2023;
  - b) does not contain any qualifications requiring adjustments. Moreover, those qualifications in the Companies (Auditor's Report) Order, 2016 and Companies (Auditor's Report) Order, 2020 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 Financial Information have been disclosed in Annexure VI to the Restated Consolidated Financial Information; and
  - c) been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
8. We have not audited any financial statements of the Group and its joint ventures as of any date or for any period subsequent to 31 March 2023. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group and its joint ventures as of any date or for any period subsequent to 31 March 2023.
9. The Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the consolidated financial statements, respectively mentioned in paragraph 4 above.
10. 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 nor should this report be construed as a new opinion on any of the consolidated financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. 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 ("SEBI"), the stock exchanges where the equity shares of the Company are proposed to be listed ("Stock Exchanges") and the Registrar of Companies, Punjab and Chandigarh situated at Chandigarh ("ROC") 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 B S R & Co. LLP*  
*Chartered Accountants*  
Firm Registration No: 101248W/W-100022

**Rahul Nayar**  
*Partner*

Place: Gurugram  
Date: 25 September 2023

Membership No:508605  
UDIN:23508605BGZYIU4077

## Annexure-A

### As at and for the year ended 31 March 2023

<b>Company Name</b>	<b>Relationship</b>	<b>Auditor</b>
Agilus Diagnostics FZ LLC (Formerly known as 'SRL Diagnostics FZ-LLC')	Subsidiary	Crowe Mak
Agilus Diagnostics Nepal Private Limited (Formerly known as 'SRL Diagnostics (Nepal) Private Limited')	Joint Venture	S. Bishal & Associates

### As at and for the year ended 31 March 2022

<b>Company Name</b>	<b>Relationship</b>	<b>Auditor</b>
Agilus Diagnostics FZ LLC (Formerly known as 'SRL Diagnostics FZ-LLC')	Subsidiary	Crowe Mak
Agilus Diagnostics Nepal Private Limited (Formerly known as 'SRL Diagnostics (Nepal) Private Limited')	Joint Venture	Kripa Shrestha & Associates

### As at and for the year ended 31 March 2021

<b>Company Name</b>	<b>Relationship</b>	<b>Auditor</b>
Agilus Diagnostics FZ LLC (Formerly known as 'SRL Diagnostics FZ-LLC')	Subsidiary	Crowe Mak
Agilus Diagnostics Nepal Private Limited (Formerly known as 'SRL Diagnostics (Nepal) Private Limited')	Joint Venture	Kumud Tripathy & Co.
DDRC Agilus Pathlabs Limited (Formerly known as 'DDRC SRL Diagnostics Limited')	Joint Venture	R.G.N. Price & Co.

**Agilus Diagnostics Limited (formerly known as SRL Limited)**  
**CIN U74899PB1995PLC045956**  
**Annexure I - Restated Consolidated Statement of Assets and Liabilities**  
*(All amounts in Rupees millions, unless otherwise stated)*

	Notes	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	5	3,110.93	2,943.07	2,611.26
(b) Capital work-in-progress	5	13.32	21.20	11.14
(c) Right-of-use assets	40	1,018.65	865.38	543.18
(d) Goodwill	6	8,507.65	8,329.84	4,191.78
(e) Other intangible assets	6	4,105.46	3,067.77	182.45
(f) Investments accounted for using the equity method	7	32.00	31.90	558.75
(g) Financial assets				
(i) Loans	8	8.19	2.09	1.31
(ii) Other financial assets	9	257.59	245.03	98.80
(h) Deferred tax assets (net)	10	406.97	409.16	245.83
(i) Other tax assets (net)	11	628.53	495.65	381.02
(j) Other non-current assets	12	520.93	474.05	393.00
<b>Total non-current assets</b>		<b>18,610.22</b>	<b>16,885.14</b>	<b>9,218.52</b>
<b>Current assets</b>				
(a) Inventories	13	609.73	567.30	375.88
(b) Financial assets				
(i) Trade receivables	14	1,431.49	1,495.46	1,442.12
(ii) Cash and cash equivalents	15	1,137.44	1,035.78	2,266.16
(iii) Bank balances other than (ii) above	16	2,099.42	2,586.44	1,336.43
(iv) Loans	17	2.20	1.87	1,098.30
(v) Other financial assets	18	167.44	113.52	47.25
(c) Other current assets	19	129.50	114.12	78.46
<b>Total current assets</b>		<b>5,577.22</b>	<b>5,914.49</b>	<b>6,644.60</b>
<b>Total assets</b>		<b>24,187.44</b>	<b>22,799.63</b>	<b>15,863.12</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity share capital	20	784.26	784.26	784.26
(b) Other equity		18,671.51	17,877.28	12,329.56
<b>Total equity</b>		<b>19,455.77</b>	<b>18,661.54</b>	<b>13,113.82</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	21	18.96	16.12	9.70
(ii) Lease liabilities	40	812.86	667.07	397.06
(iii) Other financial liabilities	22	192.58	32.15	58.68
(b) Provisions	23	305.19	311.05	249.20
(c) Deferred tax liabilities	10	672.42	688.30	-
<b>Total non-current liabilities</b>		<b>2,002.01</b>	<b>1,714.69</b>	<b>714.64</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	24	9.33	6.39	2.83
(ii) Lease liabilities	40	252.96	243.61	172.67
(iii) Trade payables	25			
- Total outstanding dues of micro enterprises and small enterprises		166.10	83.53	28.14
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,228.62	1,209.61	1,135.95
(iv) Other financial liabilities	26	695.86	551.30	385.10
(b) Other current liabilities	27	284.90	246.73	240.39
(c) Provisions	28	79.10	77.61	69.58
(d) Current tax liabilities (net)	29	12.79	4.62	-
<b>Total current liabilities</b>		<b>2,729.66</b>	<b>2,423.40</b>	<b>2,034.66</b>
<b>Total liabilities</b>		<b>4,731.67</b>	<b>4,138.09</b>	<b>2,749.30</b>
<b>Total equity and liabilities</b>		<b>24,187.44</b>	<b>22,799.63</b>	<b>15,863.12</b>

The above Annexures should be read with Summary of Significant Accounting Policies appearing in Annexure V, Statement of adjustments to Restated Consolidated Financial Information in Annexure VI and Notes to the Restated Consolidated Financial Information in Annexure VII.

As per our examination report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm's Registration No.:101248W/W-100022

For and on behalf of the Board of Directors of  
**Agilus Diagnostics Limited (formerly known as SRL Limited)**

**Rahul Nayar**  
Partner  
Membership Number:508605

**Anand K**  
Managing Director & Chief Executive Officer  
DIN: 02427196

**Dr. Ashutosh Raghuvanshi**  
Director  
DIN:02775637

Place: Gurugram  
Date : 25 September 2023

**Trapti**  
Company Secretary

**Mangesh Shirodkar**  
Chief Financial Officer

Place: Gurugram  
Date : 25 September 2023

**Agilus Diagnostics Limited (formerly known as SRL Limited)**  
**CIN U74899PB1995PLC045956**  
**Annexure II - Restated Consolidated Statement of Profit and Loss**  
*(All amounts in Rupees millions, unless otherwise stated)*

	Notes	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
<b>Income</b>				
Revenue from operations	30	13,474.62	16,049.11	10,350.73
Other income	31	236.40	134.36	256.21
<b>Total income</b>		<b>13,711.02</b>	<b>16,183.47</b>	<b>10,606.94</b>
<b>Expenses</b>				
Cost of materials consumed	32	3,159.79	3,991.36	2,876.20
Cost of tests outsourced		169.78	145.53	121.24
Employee benefits expense	33	3,078.82	3,072.57	2,434.95
Finance costs	34	154.51	157.64	117.93
Depreciation and amortisation expense	35	889.70	802.77	520.65
Other expenses	36	4,676.47	4,720.52	3,168.21
<b>Total expenses</b>		<b>12,129.07</b>	<b>12,890.39</b>	<b>9,239.18</b>
<b>Restated profit before share of profit of equity accounted investees, exceptional items and tax</b>		<b>1,581.95</b>	<b>3,293.08</b>	<b>1,367.76</b>
Share of profit of equity accounted investees (net of income tax)	51	0.10	9.03	435.70
<b>Restated profit before exceptional items and tax</b>		<b>1,582.05</b>	<b>3,302.11</b>	<b>1,803.46</b>
Exceptional items	50A	-	3,061.43	-
<b>Restated profit before tax</b>		<b>1,582.05</b>	<b>6,363.54</b>	<b>1,803.46</b>
<b>Tax expense</b>				
Current tax	37	431.80	967.12	407.84
Deferred tax (credit)/charge	37	(16.11)	(150.66)	83.17
<b>Total tax expense</b>		<b>415.69</b>	<b>816.46</b>	<b>491.01</b>
<b>Restated profit for the year</b>		<b>1,166.36</b>	<b>5,547.08</b>	<b>1,312.45</b>
<b>Restated other comprehensive income</b>				
<b>A (i) Items that will not be reclassified to profit or loss</b>				
(a) Remeasurements of the defined benefit plans of the Company and its subsidiaries	43	9.70	9.12	(0.41)
(b) Remeasurements of the defined benefit plans of joint ventures	53	-	-	0.81
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>				
(a) Income tax on remeasurements of the defined benefit plans of the Company and its subsidiaries	37	(2.42)	(2.32)	0.13
(b) Income tax on remeasurements of the defined benefit plans of joint ventures	53	-	-	(0.20)
		<b>7.28</b>	<b>6.80</b>	<b>0.33</b>
<b>B (i) Items that will be reclassified to profit or loss</b>				
(a) Exchange differences in translating the financial statements of foreign operations		(6.89)	(6.16)	5.16
<b>Restated total other comprehensive income (net of income tax) (A(i+ii)+B(i))</b>		<b>0.39</b>	<b>0.64</b>	<b>5.49</b>
<b>Restated total comprehensive income for the year</b>		<b>1,166.75</b>	<b>5,547.72</b>	<b>1,317.94</b>
Restated profit for the year attributable to:				
- Owners of the Company		1,166.36	5,547.08	1,312.45
Restated other comprehensive income for the year attributable to:				
- Owners of the Company		0.39	0.64	5.49
Restated total comprehensive income for the year attributable to:		<b>1,166.75</b>	<b>5,547.72</b>	<b>1,317.94</b>
- Owners of the Company		<b>1,166.75</b>	<b>5,547.72</b>	<b>1,317.94</b>
<b>Earnings per equity share (Face value of Rs. 10 each)</b>				
(i) Basic (in Rupees)	38	14.87	70.73	16.74
(ii) Diluted (in Rupees)	38	14.76	70.21	16.62

The above Annexures should be read with Summary of Significant Accounting Policies appearing in Annexure V, Statement of adjustments to Restated Consolidated Financial Information in Annexure VI and Notes to the Restated Consolidated Financial Information in Annexure VII.

As per our examination report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm's Registration No.:101248W/W-100022

For and on behalf of the Board of Directors of

**Agilus Diagnostics Limited (formerly known as SRL Limited)**

**Rahul Nayar**

Partner

Membership Number:508605

**Anand K**

Managing Director & Chief Executive Officer

DIN: 02427196

**Dr. Ashutosh Raghuvanshi**

Director

DIN:02775637

Place: Gurugram

Date : 25 September 2023

**Trapti**

Company Secretary

**Mangesh Shirodkar**

Chief Financial Officer

Place: Gurugram

Date : 25 September 2023

**Agilus Diagnostics Limited (formerly known as SRL Limited)**  
**CIN U74899PB1995PLC045956**  
**Annexure III - Restated Consolidated Statement of Changes in Equity**  
*(All amounts in Rupees millions, unless otherwise stated)*

**a. Equity Share capital**

Particulars	Amount
<b>Balance as at 1 April 2020</b>	<b>784.26</b>
Changes in share capital during the year	-
<b>Balance as at 31 March 2021</b>	<b>784.26</b>
Changes in share capital during the year	-
<b>Balance as at 31 March 2022</b>	<b>784.26</b>
Changes in share capital during the year	-
<b>Balance as at 31 March 2023</b>	<b>784.26</b>

Particular		Reserves and surplus					Other Comprehensive Income	Total other equity
		Securities premium *	Share options outstanding account **	Retained earnings ***	Capital reserve ****	General reserve *****	Foreign currency translation reserve *****	
<b>Balance at 1 April 2022</b>		6,942.51	30.68	9,551.83	1,418.11	33.36	(99.21)	17,877.28
Restated profit for the year		-	-	1,166.36	-	-	-	1,166.36
Other comprehensive income for the year, (net of income tax) :								
Remeasurements of the defined benefit liability		-	-	7.28	-	-	-	7.28
Exchange differences in translating the financial statements of foreign operations		-	-	-	-	-	(6.89)	(6.89)
<b>Total comprehensive income for the year</b>		-	-	<b>1,173.64</b>	-	-	<b>(6.89)</b>	<b>1,166.75</b>
Dividend payment to shareholders				(372.52)	-	-	-	(372.52)
<b>Balance at 31 March 2023</b>		<b>6,942.51</b>	<b>30.68</b>	<b>10,352.95</b>	<b>1,418.11</b>	<b>33.36</b>	<b>(106.10)</b>	<b>18,671.51</b>
<b>Balance at 1 April 2021</b>		6,942.51	33.78	3,997.95	1,418.11	30.26	(93.05)	12,329.56
Restated profit for the year		-	-	5,547.08	-	-	-	5,547.08
Other comprehensive income for the year, (net of income tax) :								
Remeasurements of the defined benefit liability		-	-	6.80	-	-	-	6.80
Exchange differences in translating the financial statements of foreign operations		-	-	-	-	-	(6.16)	(6.16)
<b>Total comprehensive income for the year</b>		-	-	<b>5,553.88</b>	-	-	<b>(6.16)</b>	<b>5,547.72</b>
Employee stock option forfeited			(3.10)	-	-	3.10	-	-
<b>Balance at 31 March 2022</b>		<b>6,942.51</b>	<b>30.68</b>	<b>9,551.83</b>	<b>1,418.11</b>	<b>33.36</b>	<b>(99.21)</b>	<b>17,877.28</b>
<b>Restated balance at 1 April 2020</b>		6,942.51	54.92	2,685.17	1,418.11	18.55	(98.21)	11,021.05
Restated profit for the year		-	-	1,312.45	-	-	-	1,312.45
Other comprehensive income for the year, (net of income tax) :								
Remeasurements of the defined benefit liability		-	-	0.33	-	-	-	0.33
Exchange differences in translating the financial statements of foreign operations		-	-	-	-	-	5.16	5.16
<b>Total comprehensive income for the year</b>		-	-	<b>1,312.78</b>	-	-	<b>5.16</b>	<b>1,317.94</b>
Recognition / (reversal) of share-based payments expense			(9.43)	-	-	-	-	(9.43)
Employee stock option forfeited			(11.71)	-	-	11.71	-	-
<b>Balance at 31 March 2021</b>		<b>6,942.51</b>	<b>33.78</b>	<b>3,997.95</b>	<b>1,418.11</b>	<b>30.26</b>	<b>(93.05)</b>	<b>12,329.56</b>

\* The unutilized accumulated excess of issue price over face value on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act 2013.

\*\* The fair value of the equity settled share based payment transactions with employees is recognised in the Restated Consolidated Statement of Profit and Loss with corresponding credit to share options outstanding account.

\*\*\* Retained earnings are the accumulated profits earned by the Group till date.

\*\*\*\* Capital reserve represents the equity and reserves of Agilus Diagnostics FZ LLC (Formerly known as SRL Diagnostics FZ LLC) acquired during the year 2016-17 through common control business combination.

\*\*\*\*\* This foreign currency translation reserve represents the cumulative translation differences on foreign operations (i.e. Agilus Diagnostics FZ LLC, Dubai).

\*\*\*\*\* In respect of Nil (31 March 2022 : 25,000 ; 31 March 2021 : 231,000) options forfeited during the year, amount aggregating Rs. Nil (31 March 2022: Rs. 3.10 million ; 31 March 2021 : Rs. 11.71 million) has been transferred to general reserve (refer note 46).

The above Annexures should be read with Summary of Significant Accounting Policies appearing in Annexure V, Statement of adjustments to Restated Consolidated Financial Information in Annexure VI and Notes to the Restated Consolidated Financial Information in Annexure VII.

As per our examination report of even date attached

For **B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm's Registration No.:101248W/W-100022

*For and on behalf of the Board of Directors of*

**Agilus Diagnostics Limited (formerly known as SRL Limited)**

**Rahul Nayar**

*Partner*

Membership Number:508605

**Anand K**

*Managing Director & Chief Executive Officer*

DIN: 02427196

**Dr. Ashutosh Raghuvanshi**

*Director*

DIN:02775637

Place : Gurugram

Date : 25 September 2023

**Trapti**

*Company Secretary*

**Mangesh Shirodkar**

*Chief Financial Officer*

Place: Gurugram

Date : 25 September 2023



Notes	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
<b>A Cash flows from operating activities</b>			
<b>Restated profit before tax</b>	1,582.05	6,363.54	1,803.46
<b>Adjustments for:</b>			
Depreciation and amortisation expense	35 889.70	802.77	520.65
Loss/ (Gain) on disposal of property, plant and equipment (net)	31 and 36 (32.95)	3.45	(1.13)
Share of profit of equity accounted investees (net of income tax)	51 (0.10)	(9.03)	(435.70)
Loss allowance for deposits and advances	36 1.36	1.60	5.64
Loss allowance for trade receivables	36 143.65	76.55	142.67
Advances written off	36 -	-	1.08
Exceptional items	50A -	(3,061.43)	-
Equity settled share based payment	33 -	-	(9.43)
Liabilities/provisions no longer required written back	30 (47.32)	(88.43)	(49.48)
Finance costs	34 154.51	157.64	117.93
Gain on sale of investment	31 (7.40)	-	-
Gain on termination of leases	31 (18.25)	-	-
Interest income	31 (154.26)	(120.55)	(235.69)
<b>Operating profit before changes in assets and liabilities</b>	<b>2,510.99</b>	<b>4,126.11</b>	<b>1,860.00</b>
(Increase) in inventories	(41.80)	(112.26)	(70.23)
(Increase) in trade receivables	(65.12)	(50.03)	(120.88)
(Increase)/decrease in loans and other financial assets	(45.27)	(33.29)	242.97
(Increase) in other assets	(20.46)	(22.49)	(6.90)
Increase in trade payables	124.38	58.61	263.00
(Decrease)/increase in other financial liabilities	(23.21)	101.37	35.90
(Decrease)/increase in Provisions	(11.21)	7.87	11.05
Increase/(decrease) in other liabilities	35.59	(68.06)	2.60
<b>Cash generated from operations</b>	<b>2,463.89</b>	<b>4,007.83</b>	<b>2,217.51</b>
Direct taxes paid (net)	(552.54)	(1,059.33)	(451.30)
<b>Net cash generated from operating activities</b>	<b>1,911.35</b>	<b>2,948.50</b>	<b>1,766.21</b>
<b>B Cash flows from investing activities</b>			
Interest received	134.72	127.55	229.78
Investment in equity shares (refer note 50A)	(125.00)	(3,375.00)	-
Fixed deposits made during the year	(6,493.47)	(5,166.52)	(1,698.72)
Fixed deposits matured during the year	6,949.93	3,865.85	1,917.53
Repayment of loan given to fellow subsidiaries	-	1,071.70	-
Purchase of current investment	(1,209.94)	-	-
Proceeds from sale of current investment	1,217.34	-	-
Dividend from joint venture	-	110.45	280.00
Payments for purchase of property, plant and equipment and intangible assets	(1,466.60)	(629.03)	(372.41)
Payment of purchase consideration in business combination (Refer note 50B, 50C and 50D)	(138.93)	-	(7.00)
Proceeds from disposal of property, plant and equipment	59.97	11.35	25.47
<b>Net cash (used in)/generated from investing activities</b>	<b>(1,071.98)</b>	<b>(3,983.65)</b>	<b>374.65</b>
<b>C Cash flows from financing activities*</b>			
Proceeds from borrowings	15.28	14.03	12.46
Repayment of borrowings	(9.60)	(4.10)	(1.10)
Principal payment of lease liabilities	(256.29)	(225.75)	(185.15)
Interest paid on lease liabilities	(88.64)	(80.02)	(63.03)
Dividend paid	(372.52)	-	-
Finance cost paid	(29.89)	(39.30)	(27.12)
<b>Net cash used in financing activities</b>	<b>(741.66)</b>	<b>(335.14)</b>	<b>(263.94)</b>
<b>Net increase/(decrease) in cash and cash equivalents [A+B+C]</b>	<b>97.71</b>	<b>(1,370.29)</b>	<b>1,876.92</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,035.78</b>	<b>2,266.16</b>	<b>391.72</b>
<b>Effect of movements in exchange rates</b>	<b>3.95</b>	<b>2.76</b>	<b>(2.48)</b>
<b>Add: Cash and cash equivalents in respect of acquisitions (refer note 50A)</b>	<b>-</b>	<b>137.15</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,137.44</b>	<b>1,035.78</b>	<b>2,266.16</b>

\*Changes in financial liabilities arising from financing activities

Particulars	Borrowings (including interest accrued)	Lease liabilities
<b>As at 01 April 2020</b>	1.19	648.50
Addition during the year	12.46	152.25
Derecognition of lease liability	-	(44.93)
Interest cost	0.43	63.03
Payment of lease liabilities (including interest of Rs. 63.03 million)	-	(248.18)
Effect of changes in foreign exchange rates	(0.03)	(0.95)
Repayments of borrowings	(1.10)	-
Finance cost paid	(0.36)	-
<b>As at 31 March 2021</b>	<b>12.59</b>	<b>569.72</b>
<b>As at 01 April 2021</b>	12.59	569.72
Addition during the year	14.03	503.91
Addition on acquisitions (Refer Note 50A)	-	65.10
Derecognition of lease liability	-	(3.38)
Interest cost	1.28	80.02
Payment of lease liabilities (including interest of Rs. 80.02 million)	-	(305.77)
Effect of changes in foreign exchange rates	0.06	1.06
Repayments of borrowings	(4.10)	-
Finance cost paid	(1.24)	-
<b>As at 31 March 2022</b>	<b>22.62</b>	<b>910.66</b>
<b>As at 01 April 2022</b>	22.62	910.66
Addition during the year	15.28	490.94
Addition on acquisitions (Refer Note 50B and 50C)	-	17.10
Derecognition of lease liability	-	(98.63)
Interest cost	1.93	88.64
Payment of lease liabilities (including interest of Rs. 88.64 million)	-	(344.93)
Effect of changes in foreign exchange rates	0.10	2.04
Repayments of borrowings	(9.60)	-
Finance cost paid	(1.86)	-
<b>As at 31 March 2023</b>	<b>28.47</b>	<b>1,065.82</b>

**Note :**

- 1 During the year ended 31 March 2023, the Group paid Rs. 51.27 million (31 March 2022: Rs. 40.86 million ; 31 March 2021: Rs. 29.55 million) towards corporate social responsibility expenditure (refer note 44).
- 2 The statement of cash flows for operating activities has been prepared in accordance with the "Indirect Method" as set out in the Ind AS 7 "Statement of Cash Flows".

The above Annexures should be read with Summary of Significant Accounting Policies appearing in Annexure V, Statement of adjustments to Restated Consolidated Financial Information in Annexure VI and Notes to the Restated Consolidated Financial Information in Annexure VII.

As per our examination report of even date attached

For **B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm's Registration No.:101248W/W-100022

For and on behalf of the Board of Directors of

**Agilus Diagnostics Limited (formerly known as SRL Limited)**

**Rahul Nayar**

*Partner*

Membership Number:508605

**Anand K**

*Managing Director & Chief Executive Officer*

DIN: 02427196

**Dr. Ashutosh Raghuvanshi**

*Director*

DIN:02775637

Place: Gurugram

Date : 25 September 2023

**Trapti**

*Company Secretary*

**Mangesh Shirodkar**

*Chief Financial Officer*

Place: Gurugram

Date : 25 September 2023

**Part A: Statement of adjustments to Restated Consolidated Financial Information**

**a) Reconciliation between total equity as per audited financial statements and restated consolidated statement of assets and liabilities**

Particulars	Year ended	Year ended	Year ended
	31 March 2023	31 March 2022	31 March 2021
<b>Total equity (as per audited financial statements)</b>	19,455.77	18,661.54	13,113.82
<b>Adjustments</b>	-	-	-
<b>Total impact of adjustments</b>	-	-	-
<b>Total equity as per restated consolidated statement of assets and liabilities</b>	<b>19,455.77</b>	<b>18,661.54</b>	<b>13,113.82</b>

**b) Reconciliation between profit after tax as per audited financial statements and restated consolidated statement of profit and loss**

Particulars	Year ended	Year ended	Year ended
	31 March 2023	31 March 2022	31 March 2021
<b>Profit for the year (as per audited financial statements)</b>	1,166.36	5,547.08	1,312.45
<b>Adjustments</b>	-	-	-
<b>Total impact of adjustments</b>	-	-	-
<b>Restated profit for the year</b>	<b>1,166.36</b>	<b>5,547.08</b>	<b>1,312.45</b>

**Part B - Material Regrouping**

1. No material regroupings have been made in the Restated Consolidated Financials Information.

2. Appropriate regroupings and reclassification have been made in the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Statement of Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cashflows, pursuant to amendment in Schedule III to the Companies Act, 2013 effective from 1 April 2021. Refer note 55D.

3. Further, certain immaterial regroupings have been made in the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Statement of Cash flows, by reclassification of the corresponding items of income, expenses, assets, liabilities and cashflows to conform with the latest period classification and presentation. Refer note 55E

**Part C - Non adjusting events (reproduced as per the signed financial statements for respective years)**

Emphasis of matter paragraphs, audit qualifications and material uncertainty related to going concern paragraph for the year, which do not require any corrective adjustments in the Restated Consolidated Financial Information are as follows:

**For the year ended 31 March 2023**

**Agilus Diagnostics Limited (Consolidated Financial statements)**

**Emphasis of matter paragraph in auditor's report for the respective year which do not require any corrective adjustments in the Restated Consolidated Financial Information**

We draw attention to Note 56 and Note 57 of the consolidated financial statements which deals with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") on Fortis Healthcare Limited ("FHL" or the "Parent Company") and its subsidiaries (the "Fortis Group") regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013. These transactions and non-compliances relate to or originated prior to take over of control of Parent Company by its reconstituted board of directors in the year ended 31 March 2018. As mentioned in the note, the Group has been submitting information required by SFIO and is also cooperating in the regulatory investigations.

As explained in the said note, the Fortis Group had recorded significant adjustments/provisions in its books of account during the year ended 31 March 2018. The Parent Company has launched legal proceedings and has also filed a complaint with the Economic Offences Wing ("EOW") against erstwhile promoters and their related entities based on the findings of the investigation conducted by the Fortis Group. Based on management's detailed analysis and consultation with external legal counsel, any further financial impact, to the extent it can be reliably estimated as at present, is not expected to be material.

Our opinion is not modified in respect of this matter.

**Audit qualification in auditor's report for the respective year which do not require any corrective adjustments in the Restated Consolidated Financial Information.**

**Audit qualification relating to maintenance of proper books of account**

In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except that the back-up of the books of account and other relevant books and papers in electronic mode for one of the Group's laboratory has not been kept on servers physically located in India on a daily basis.

**Statements / comments included in the Companies (Auditor's Report) Order, 2020, which do not require any corrective adjustments in the Restated Consolidated Financial Information**

**Clause (xxi) of Companies (Auditor's Report) Order, 2020**

In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Agilus Diagnostics Limited	U74899PB1995PLC045956	Holding Company	3(ii)(b),3(vii)(a)
2	Agilus Pathlabs Private Limited (Formerly known as SRL Diagnostics Private Limited)	U85195DL1999PTC217659	Subsidiary	3 (i)(c),3 (vii)(a)
3	Agilus Pathlabs Reach Limited (Formerly known as SRL Reach Limited)	U85100DL2015PLC279712	Subsidiary	3(vii)(a)
4	DDRC Agilus Pathlabs Limited (Formerly known as DDRC SRL Diagnostics Limited)	U85190MH2006PTC161480	Subsidiary	3(vii)(a)

**Agilus Diagnostics Limited (Standalone Financial statements)**

**Emphasis of matter paragraph in auditor's report for the respective year which do not require any corrective adjustments in the Restated Consolidated Financial Information**

We draw attention to Note 56 and Note 57 of the standalone financial statements which deals with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") on Fortis Healthcare Limited ("FHL" or the "Parent Company") and its subsidiaries (the "Fortis Group") regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013. These transactions and non-compliances relate to or originated prior to take over of control of Parent Company by its reconstituted board of directors in the year ended 31 March 2018. As mentioned in the note, the Group has been submitting information required by SFIO and is also cooperating in the regulatory investigations.

As explained in the said note, the Fortis Group had recorded significant adjustments/provisions in its books of account during the year ended 31 March 2018. The Parent Company has launched legal proceedings and has also filed a complaint with the Economic Offences Wing ('EOW') against erstwhile promoters and their related entities based on the findings of the investigation conducted by the Fortis Group. Based on management's detailed analysis and consultation with external legal counsel, any further financial impact, to the extent it can be reliably estimated as at present, is not expected to be material.

Our opinion is not modified in respect of this matter.

**Statements / comments included in the Companies (Auditor's Report) Order, 2020, which do not require any corrective adjustments in the Restated Consolidated Financial Information**

**Clause (ii) (b) of Companies (Auditor's Report) Order, 2020**

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Quarter	Particulars	Name of bank	Amount as per books of account	Amount as reported in the quarterly return/statement	Amount of difference	Whether return/statement subsequently rectified
Jun-22	Inventory	Axis Bank Limited, Kotak Mahindra Bank Limited, DBS Bank India Limited, HDFC Bank Limited	388.66	350.40	38.26	No
	Creditors		353.74	351.40	2.34	No
Sep-22	Inventory		380.28	336.40	43.88	No
	Creditors		531.77	527.20	4.57	No
Dec-22	Inventory		416.87	371.60	45.27	No
	Inventory		443.48	394.40	49.08	No
Mar-23	Inventory		434.42	430.70	3.72	No
	Creditors					

**Clause (vii) (a) of Companies (Auditor's Report) Order, 2020**

The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of customs, Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of Provident Fund.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Custom, Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable, except as mentioned below:

Name of statute	Nature of the dues	Period to which the amount relates	Amount	Due date	Date of payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	March 2019	3.11	15 April 2019	Not yet paid
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	April to September 2022	5.18	15th day of following month	Not yet paid

**Agilus Pathlabs Private Limited (Formerly known as SRL Diagnostics Private Limited)**

**Emphasis of matter paragraph in auditor's report for the respective year which do not require any corrective adjustments in the Restated Consolidated Financial Information**

We draw attention to Note 47 and Note 48 of the financial statements which deals with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") on Fortis Healthcare Limited ("FHL" or the "Parent Company") and its subsidiaries ("the Group") regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013. These transactions and non-compliances relate to or originated prior to take over of control of Parent Company by its reconstituted board of directors in the year ended 31 March 2018. As mentioned in the note, the Group has been submitting information required by SFIO and is also cooperating in the regulatory investigations.

As explained in the said note, the Group had recorded significant adjustments/provisions in its books of account during the year ended 31 March 2018. The Parent Company has launched legal proceedings and has also filed a complaint with the Economic Offences Wing ("EOW") against erstwhile promoters and their related entities based on the findings of the investigation conducted by the Group. Based on management's detailed analysis and consultation with external legal counsel, any further financial impact, to the extent it can be reliably estimated as at present, is not expected to be material.

Our opinion is not modified in respect of this matter.

**Audit qualification in auditor's report for the respective year which do not require any corrective adjustments in the Restated Consolidated Financial Information.**

**Audit qualification with respect to Other Legal and Regulatory Requirements**

In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except that the back-up of the books of account and other relevant books and papers in electronic mode for one of the Company's laboratory has not been kept on servers physically located in India on a daily basis.

**Statements / comments included in the Companies (Auditor's Report) Order, 2020, which do not require any corrective adjustments in the Restated Consolidated Financial Information**

**Clause (i) (c) of Companies (Auditor's Report) Order, 2020**

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (Rs. in million)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Sub-division Layout Plot No. 22 forming part of Final Gat No. 249 of Survey No. 120 admeasuring 408 Sq. Yds. equivalent to 341.12 Sq. Yds. situated at Village Dongergaon, Taluka Mawal, District Pune	0.55	Drs. Tribedi & Roy Diagnostics Laboratories Limited	No	18 November 1999	The deed of conveyance of freehold land is in the name of Drs. Tribedi & Roy Diagnostics Laboratories Limited, erstwhile name of the Company which was changed to NPIL Laboratories and Diagnostics Private Limited on 16 December 2003. Subsequently, the name was changed to Piramal Diagnostic Services Private Limited on 15 May 2008 and changed to SRL Diagnostics Private Limited on 21 June 2011. Fresh certificate of incorporation consequent upon change of name dated 16 December 2003 and 15 May 2008 respectively was issued by the Registrar of Companies, Maharashtra, Mumbai and dated 21 June 2011 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana.

**Clause (vii) (a) of Companies (Auditor's Report) Order, 2020**

The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Income Tax and Labour Welfare Fund. Further in respect of Professional Tax, the Company has been irregular in depositing the sum due throughout the year and the amount involved is Rs. 0.05 million.

As explained to us, the Company did not have any dues on account of Duty of Customs or Cess.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable, except as mentioned below:

Name of statute	Nature of the dues	Period to which the amount relates	Amount (Rs. in million)	Due date	Date of payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	March 2019	1.65	15 April 2019	Not yet paid
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	April 2022	0.05	15 May 2022	Not yet paid
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	May 2022	0.05	15 June 2022	Not yet paid
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	June 2022	0.05	15 July 2022	Not yet paid
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	July 2022	0.05	15 August 2022	Not yet paid
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	August 2022	0.05	15 September 2022	Not yet paid

**Agilus Pathlabs Reach Limited (Formerly known as SRL Reach Limited)**

**Statements / comments included in the Companies (Auditor's Report) Order, 2020, which do not require any corrective adjustments in the Restated Consolidated Financial Information**

**Clause (vii) (a) of Companies (Auditor's Report) Order, 2020**

The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Custom or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable, except as mentioned below:

Name of statute	Nature of the dues	Period to which the amount relates	Amount (Rs. in million)	Due date	Date of payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	March 2019	0.08	15 April 2019	Not yet paid

**DDRC Agilus Pathlabs Limited (Formerly known as DDRC SRL Diagnostics Limited)**

**Statements / comments included in the Companies (Auditor's Report) Order, 2020, which do not require any corrective adjustments in the Restated Consolidated Financial Information**

**Clause (vii) (a) of Companies (Auditor's Report) Order, 2020**

The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Provident Fund and Labour Welfare Fund.

As explained to us, the Company did not have any dues on account of Duty of Customs or Cess.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

**Agilus Diagnostics FZ LLC (Formerly known as SRL Diagnostics FZ LLC)**

**Material uncertainty related to going concern**

We draw attention to Note 2 to these financial statements which explains that the entity incurred a loss of AED 1,919,982 (Rs. 41.98 million) [2022: profit AED 6,130,321 (Rs. 124.35 million)] during the year ended March 31, 2023 and had accumulated losses of AED 101,746,111, (Rs. 1,737.55 million) a deficit in the equity of AED 5,496,455 (Rs. 123.10 million) [2022: AED 3,576,473 (Rs. 74.23 million)] and net current liabilities of AED 4,806,768 (Rs. 107.65 million) as of that date. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

**For the year ended 31 March 2022**

**Agilus Diagnostics Limited (Consolidated Financial statements)**

**Emphasis of matter paragraph in auditor's report for the respective year which do not require any corrective adjustments in the Restated Consolidated Financial Information**

We draw attention to Note 56 and Note 57 of the consolidated financial statements which deals with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") on Fortis Healthcare Limited ("FHL" or the "Parent Company") and its subsidiaries (the "Fortis Group") regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013. These transactions and non-compliances relate to or originated prior to take over of control of Parent Company by its reconstituted board of directors in the year ended 31 March 2018. As mentioned in the note, the Group has been submitting information required by SFIO and is also cooperating in the regulatory investigations.

As explained in the said note, the Fortis Group had recorded significant adjustments/provisions in its books of account during the year ended 31 March 2018. The Parent Company has launched legal proceedings and has also filed a complaint with the Economic Offences Wing ("EOW") against erstwhile promoters and their related entities based on the findings of the investigation conducted by the Fortis Group. Based on management's detailed analysis and consultation with external legal counsel, any further financial impact, to the extent it can be reliably estimated as at present, is not expected to be material.

Our opinion is not modified in respect of this matter.

**Statements / comments included in the Companies (Auditor's Report) Order, 2020, which do not require any corrective adjustments in the Restated Consolidated Financial Information**

**Clause (xxi) of Companies (Auditor's Report) Order, 2020**

In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Agilus Diagnostics Limited	U74899PB1995PLC045956	Holding Company	3 (vii)(a)
2	Agilus Pathlabs Private Limited	U85195DL1999PTC217659	Subsidiary	3 (vii)(a)
3	Agilus Pathlabs Reach Limited	U85100DL2015PLC279712	Subsidiary	3 (vii)(a), (xvii)

**Agilus Diagnostics Limited (Standalone Financial statements)**

**Emphasis of matter paragraph in auditor's report for the respective year which do not require any corrective adjustments in the Restated Consolidated Financial Information**

We draw attention to Note 56 and Note 57 of the standalone financial statements which deals with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") on Fortis Healthcare Limited ("FHL" or the "Parent Company") and its subsidiaries (the "Fortis Group") regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013. These transactions and non-compliances relate to or originated prior to take over of control of Parent Company by its reconstituted board of directors in the year ended 31 March 2018. As mentioned in the note, the Group has been submitting information required by SFIO and is also cooperating in the regulatory investigations.

As explained in the said note, the Fortis Group had recorded significant adjustments/provisions in its books of account during the year ended 31 March 2018. The Parent Company has launched legal proceedings and has also filed a complaint with the Economic Offences Wing ('EOW') against erstwhile promoters and their related entities based on the findings of the investigation conducted by the Fortis Group. Based on management's detailed analysis and consultation with external legal counsel, any further financial impact, to the extent it can be reliably estimated as at present, is not expected to be material.

Our opinion is not modified in respect of this matter.

**Statements / comments included in the Companies (Auditor's Report) Order, 2020, which do not require any corrective adjustments in the Restated Consolidated Financial Information**

**Clause (vii) (a) of Companies (Auditor's Report) Order, 2020**

The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable, except as mentioned below:

Name of statute	Nature of the dues	Period to which the amount relates	Amount (Rs. in million)	Due date	Date of payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund Refer Note 42 (iii)	March 2019	3.11	15 April 2019	Not yet paid

**Agilus Pathlabs Private Limited (Formerly known as SRL Diagnostics Private Limited)**

**Emphasis of matter paragraph in auditor's report for the respective year which do not require any corrective adjustments in the Restated Consolidated Financial Information**

We draw attention to Note 47 and Note 48 of the financial statements which deals with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") on Fortis Healthcare Limited ("FHL" or the "Parent Company") and its subsidiaries (the "Group") regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013. These transactions and non-compliances relate to or originated prior to take over of control of Parent Company by its reconstituted board of directors in the year ended 31 March 2018. As mentioned in the note, the Group has been submitting information required by SFIO and is also cooperating in the regulatory investigations.

As explained in the said note, the Group had recorded significant adjustments/provisions in its books of account during the year ended 31 March 2018. The Parent Company has launched legal proceedings and has also filed a complaint with the Economic Offences Wing ('EOW') against erstwhile promoters and their related entities based on the findings of the investigation conducted by the Group. Based on management's detailed analysis and consultation with external legal counsel, any further financial impact, to the extent it can be reliably estimated as at present, is not expected to be material.

Our opinion is not modified in respect of this matter.

**Statements / comments included in the Companies (Auditor's Report) Order, 2020, which do not require any corrective adjustments in the Restated Consolidated Financial Information**

**Clause (vii) (a) of Companies (Auditor's Report) Order, 2020**

The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities; though there have been slight delay in a few cases of income tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable, except as mentioned below:

Name of statute	Nature of the dues	Period to which the amount relates	Amount (Rs. in million)	Due date	Date of payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund Refer Note 39 (b)	March 2019	1.65	15 April 2019	Not yet paid

**Agilus Pathlabs Reach Limited (Formerly known as SRL Reach Limited)**

**Statements / comments included in the Companies (Auditor's Report) Order, 2020, which do not require any corrective adjustments in the Restated Consolidated Financial Information**

**Clause (vii) (a) of Companies (Auditor's Report) Order, 2020**

The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service Tax ('GST') , Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable, except as mentioned below:

Name of statute	Nature of the dues	Period to which the amount relates	Amount (Rs. in million)	Due date	Date of payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund Refer Note 36	March 2019	0.08	15 April 2019	Not yet paid

**Clause (xvii) of Companies (Auditor's Report) Order, 2020**

The Company has incurred cash losses of Rs. 17.93 million only during the immediately preceding financial year but has not incurred any cash losses during the current financial year.

**Agilus Diagnostics FZ LLC (Formerly known as SRL Diagnostics FZ LLC)**

**Material uncertainty relating to going concern**

We draw attention to Note 2 to these financial statements which explains that the entity incurred a profit of AED 6,130,321 (Rs. 124.35 million) [2021: loss AED 7,565,124 (Rs. 153.03 million)] during the year ended March 31, 2022 and had accumulated losses of AED 99,826,129 (Rs. 1,695.57 million), a deficit in the equity of AED 3,576,473 (Rs. 74.23 million) [2021: AED 9,706,794 (Rs. 192.42 million)] and net current liabilities of AED 2,589,261 (Rs. 53.74 million) as of that date. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.



**For the year ended 31 March 2021**

**Agilus Diagnostics Limited (Consolidated Financial statements)**

**Emphasis of matter paragraph in auditor's report for the respective year which do not require any corrective adjustments in the Restated Consolidated Financial Information**

(1) We draw attention to Note 54 and Note 55 of the consolidated financial statements which deals with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") on Fortis Healthcare Limited ("FHL" or the "Parent Company") and its subsidiaries (the "Fortis Group") regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013 and SEBI laws and regulations. These transactions and non-compliances relate to or originated prior to take over of control of Parent Company by its reconstituted board of directors in the year ended 31 March 2018. As mentioned in the note, the Fortis Group has been submitting information required by SFIO and is also cooperating in the regulatory investigations.

As explained in the said note, the Fortis Group had recorded significant adjustments/provisions in its books of account during the year ended 31 March 2018. The Parent Company has launched legal proceedings and has also filed a complaint with the Economic Offences Wing ("EOW") against erstwhile promoters and their related entities based on the findings of the investigation conducted by the Fortis Group. Based on management's detailed analysis and consultation with external legal counsel, any further financial impact, to the extent it can be reliably estimated as at present, is not expected to be material.

Our opinion is not modified in respect of this matter.

(2) As explained in Note 56 of the consolidated financial statements, a Civil Suit claiming Rs. 2,534.4 million was filed by a third party against various entities including the Company and certain entities within the Fortis Group relating to "Fortis, SRL and La-Femme" brands. Based on legal advice of external legal counsel, the Management believes that the claims are without legal basis and not tenable. Further, as mentioned in Note 56 of the consolidated financial statements, the tenure of brand license agreement entered by the Company has expired and the Parent Company has filed an application before the Hon'ble Supreme Court of India seeking permission for change of company name, brand and logo. The matter is currently sub-judice.

Our opinion is not modified in respect of this matter.

**Agilus Diagnostics Limited (Standalone Financial statements)**

**Emphasis of matter paragraph in auditor's report for the respective year which do not require any corrective adjustments in the Restated Consolidated Financial Information**

(1) We draw attention to Note 47 and Note 48 of the standalone financial statements which deals with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") on Fortis Healthcare Limited ("FHL" or the "Parent Company") and its subsidiaries (the "Fortis Group") regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013 and SEBI laws and regulations. These transactions and non-compliances relate to or originated prior to take over of control of Parent Company by its reconstituted board of directors in the year ended 31 March 2018. As mentioned in the note, the Group has been submitting information required by SFIO and is also cooperating in the regulatory investigations.

As explained in the said note, the Fortis Group had recorded significant adjustments/provisions in its books of account during the year ended 31 March 2018. The Parent Company has launched legal proceedings and has also filed a complaint with the Economic Offences Wing ("EOW") against erstwhile promoters and their related entities based on the findings of the investigation conducted by the Fortis Group. Based on management's detailed analysis and consultation with external legal counsel, any further financial impact, to the extent it can be reliably estimated as at present, is not expected to be material.

Our opinion is not modified in respect of this matter.

(2) As explained in Note 49 of the standalone financial statements, a Civil Suit claiming Rs. 2,534.40 million was filed by a third party against various entities including the Company and certain entities within the Fortis Group relating to "Fortis, SRL and La-Femme" brands. Based on legal advice of external legal counsel, the Management believes that the claims are without legal basis and not tenable. Further, as mentioned in Note 49 of the standalone financial statements, the tenure of brand license agreement entered by the Company has expired and the Parent Company has filed an application before the Hon'ble Supreme Court of India seeking permission for change of company name, brand and logo. The matter is currently sub-judice.

Our opinion is not modified in respect of this matter.

**Statements / comments included in the Companies (Auditor's Report) Order, 2016, which do not require any corrective adjustments in the Restated Consolidated Financial Information**

**Clause (vii) (a) of Companies (Auditor's Report) Order, 2016**

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess and other material statutory dues have generally been regularly deposited during the year with the appropriate authorities though there has been a slight delay in a few cases of deposit of goods and service tax. As explained to us, the Company did not have any dues on account of sales tax, value added tax, duty of excise and service tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

**Agilus Pathlabs Private Limited (Formerly known as SRL Diagnostics Private Limited)**

**Emphasis of matter paragraph in auditor's report for the respective year which do not require any corrective adjustments in the Restated Consolidated Financial Information**

(1) We draw attention to Note 44 and Note 45 of the financial statements which deals with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") on Fortis Healthcare Limited ("FHL" or the "Parent Company") and its subsidiaries ("the Group") regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013 and SEBI laws and regulations. These transactions and non-compliances relate to or originated prior to take over of control of Parent Company by the reconstituted board of directors in the year ended 31 March 2018. As mentioned in the note, the Group has been submitting information required by SFIO and is also cooperating in the regulatory investigations.

As explained in the said note, the Group had recorded significant adjustments/provisions in its books of account during the year ended 31 March 2018. The Parent Company has launched legal proceedings and has also filed a complaint with the Economic Offences Wing ("EOW") against erstwhile promoters and their related entities based on the findings of the investigation conducted by the Group. Based on management's detailed analysis and consultation with external legal counsel, any further financial impact, to the extent it can be reliably estimated as at present, is not expected to be material.

Our opinion is not modified in respect of this matter.

(2) As explained in Note 46 of the financial statements, a Civil Suit claiming Rs. 2,534.40 million was filed by a third party against various entities including the Company and certain entities within the Fortis Group relating to "Fortis, SRL and La-Femme" brands. Based on legal advice of external legal counsel, the Management believes that the claims are without legal basis and not tenable. Further, as mentioned in Note 46 of the financial statements, the tenure of brand license agreement entered by the Company has expired and the Parent Company has filed an application before the Hon'ble Supreme Court of India seeking permission for change of Company name, brand and logo. The matter is currently sub-judice.

Our opinion is not modified in respect of this matter.

**Statements / comments included in the Companies (Auditor's Report) Order, 2016, which do not require any corrective adjustments in the Restated Consolidated Financial Information**

**Clause (vii) (a) of Companies (Auditor's Report) Order, 2016**

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess and other material statutory dues have generally been regularly deposited during the year with the appropriate authorities though there has been a slight delay in a few cases of deposit of provident fund. As explained to us, the Company did not have any dues on account of sales tax, value added tax, duty of excise and service tax.

**Agilus Pathlabs Reach Limited (Formerly known as SRL Reach Limited)**

**Statements / comments included in the Companies (Auditor's Report) Order, 2016, which do not require any corrective adjustments in the Restated Consolidated Financial Information.**

**Clause (vii) (a) of Companies (Auditor's Report) Order, 2016**

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess and other material statutory dues have generally been regularly deposited during the year with the appropriate authorities though there have been a slight delay in a few cases of deposit of provident fund. As explained to us, the Company did not have any dues on account of sales tax, value added tax, duty of excise and service tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

**Agilus Diagnostics FZ LLC (Formerly known as SRL Diagnostics FZ LLC)**

**Material uncertainty relating to going concern**

We draw attention to Note 2 to these financial statements which explains that the entity incurred a loss of AED 7,565,124 (Rs. 153.03 million) [2020: AED 3,887,269 (Rs. 75.07 million)] during the year ended March 31, 2021 and had accumulated losses of AED 105,956,450 (Rs. 1,819.92 million), a deficit in the equity of AED 9,706,794 (Rs. 192.42 million) [2020: AED 8,001,474 (Rs. 162.38 million)] and net current liabilities of AED 8,301,032 (Rs. 164.55 million), as of that date. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as going concern. We have not qualified our opinion in this matter.

**Agilus Diagnostics Limited (formerly known as SRL Limited)**
**CIN U74899PB1995PLC045956**
**Annexure VII - Notes to the Restated Consolidated Financial Information (Continued)**
*(All amounts in Rupees millions, unless otherwise stated)*
**5. Property, plant and equipment and Capital work in progress**

	Buildings	Freehold land	Leasehold improvements	Plant and machinery (including Laboratory equipments)	Air conditioners	Computers and accessories	Office equipment	Furniture and fittings	Vehicles*	Total	Capital work-in-progress
<b>Gross carrying amount</b>											
At 1 April 2020	458.45	1208.79	352.13	1,310.35	68.87	164.78	82.18	75.88	28.67	3,750.10	29.01
Additions	2.42	-	55.79	268.21	10.40	51.00	7.53	1.66	14.98	411.99	363.92
Acquisitions through business combinations (refer note 50D)	-	-	-	0.75	0.03	0.03	0.12	0.05	-	0.98	-
Disposals	-	-	(7.31)	(56.37)	(1.14)	(2.34)	(8.26)	(5.65)	(0.30)	(81.37)	(354.48)
Exchange translation adjustments	-	-	(4.08)	(2.47)	-	(0.27)	-	(0.04)	(0.03)	(6.89)	-
<b>At 31 March 2021</b>	<b>460.87</b>	<b>1,208.79</b>	<b>396.53</b>	<b>1,520.47</b>	<b>78.16</b>	<b>213.20</b>	<b>81.57</b>	<b>71.90</b>	<b>43.32</b>	<b>4,074.81</b>	<b>38.45</b>
At 1 April 2021	460.87	1,208.79	396.53	1,520.47	78.16	213.20	81.57	71.90	43.32	4,074.81	38.45
Additions	-	-	43.40	156.29	7.01	53.46	9.50	3.75	17.61	291.02	223.27
Acquisitions through business combinations (refer note 50A)	-	-	157.15	219.27	14.51	12.10	6.08	30.84	2.59	442.54	-
Disposals	-	-	(2.93)	(24.95)	(0.45)	(3.89)	(0.82)	(0.30)	(6.12)	(39.46)	(213.21)
Exchange translation adjustments	-	-	8.21	4.86	-	0.58	0.01	0.10	0.06	13.82	-
<b>At 31 March 2022</b>	<b>460.87</b>	<b>1,208.79</b>	<b>602.36</b>	<b>1,875.94</b>	<b>99.23</b>	<b>275.45</b>	<b>96.34</b>	<b>106.29</b>	<b>57.46</b>	<b>4,782.73</b>	<b>48.51</b>
At 1 April 2022	460.87	1,208.79	602.36	1,875.94	99.23	275.45	96.34	106.29	57.46	4,782.73	48.51
Additions	-	-	156.13	194.07	19.54	91.47	16.56	8.32	22.76	508.85	218.38
Acquisitions through business combinations (Refer note 50B and 50C)	-	-	-	9.55	0.11	0.54	0.56	0.48	-	11.24	-
Disposals	-	-	(22.00)	(244.50)	(5.91)	(5.30)	(4.02)	(2.72)	(8.87)	(293.32)	(226.26)
Exchange translation adjustments	-	-	14.52	8.89	-	1.27	0.01	0.18	0.12	24.99	-
<b>At 31 March 2023</b>	<b>460.87</b>	<b>1,208.79</b>	<b>751.01</b>	<b>1,843.95</b>	<b>112.97</b>	<b>363.43</b>	<b>109.45</b>	<b>112.55</b>	<b>71.47</b>	<b>5,034.49</b>	<b>40.63</b>
<b>Accumulated Depreciation and impairment</b>											
At 1 April 2020	84.32	-	274.96	650.62	49.24	113.10	51.49	51.55	15.29	1,290.57	27.31
Charge for the year	17.96	-	46.65	122.35	4.71	32.03	10.31	6.79	5.01	245.81	-
Disposals	-	-	(6.98)	(44.30)	(1.02)	(1.85)	(6.48)	(5.10)	(0.27)	(66.00)	-
Exchange translation adjustments	-	-	(4.03)	(2.46)	-	(0.27)	-	(0.04)	(0.03)	(6.83)	-
<b>At 31 March 2021</b>	<b>102.28</b>	<b>-</b>	<b>310.60</b>	<b>726.21</b>	<b>52.93</b>	<b>143.01</b>	<b>55.32</b>	<b>53.20</b>	<b>20.00</b>	<b>1,463.55</b>	<b>27.31</b>
At 1 April 2021	102.28	-	310.60	726.21	52.93	143.01	55.32	53.20	20.00	1,463.55	27.31
Charge for the year	13.09	-	138.15	156.40	7.70	42.16	10.08	10.99	8.55	387.12	-
Disposals	-	-	(2.76)	(12.71)	(0.35)	(3.05)	(0.53)	(0.23)	(5.03)	(24.66)	-
Exchange translation adjustments	-	-	8.06	4.87	-	0.56	0.01	0.09	0.06	13.65	-
<b>At 31 March 2022</b>	<b>115.37</b>	<b>-</b>	<b>454.05</b>	<b>874.77</b>	<b>60.28</b>	<b>182.68</b>	<b>64.88</b>	<b>64.05</b>	<b>23.58</b>	<b>1,839.66</b>	<b>27.31</b>
At 1 April 2022	115.37	-	454.05	874.77	60.28	182.68	64.88	64.05	23.58	1,839.66	27.31
Charge for the year	8.23	-	63.16	155.27	9.21	56.90	11.60	10.03	11.45	325.85	-
Disposals	-	-	(19.91)	(225.51)	(4.90)	(4.22)	(3.42)	(1.76)	(6.58)	(266.30)	-
Exchange translation adjustments	-	-	14.39	8.61	-	1.05	0.02	0.18	0.10	24.35	-
<b>At 31 March 2023</b>	<b>123.60</b>	<b>-</b>	<b>511.69</b>	<b>813.14</b>	<b>64.59</b>	<b>236.41</b>	<b>73.08</b>	<b>72.50</b>	<b>28.55</b>	<b>1,923.56</b>	<b>27.31</b>
<b>Net carrying value</b>											
<b>At 31 March 2021</b>	<b>358.59</b>	<b>1,208.79</b>	<b>85.93</b>	<b>794.26</b>	<b>25.23</b>	<b>70.19</b>	<b>26.25</b>	<b>18.70</b>	<b>23.32</b>	<b>2,611.26</b>	<b>11.14</b>
<b>At 31 March 2022</b>	<b>345.50</b>	<b>1,208.79</b>	<b>148.31</b>	<b>1,001.17</b>	<b>38.95</b>	<b>92.77</b>	<b>31.46</b>	<b>42.24</b>	<b>33.88</b>	<b>2,943.07</b>	<b>21.20</b>
<b>At 31 March 2023</b>	<b>337.27</b>	<b>1,208.79</b>	<b>239.32</b>	<b>1,030.81</b>	<b>48.38</b>	<b>127.02</b>	<b>36.37</b>	<b>40.05</b>	<b>42.92</b>	<b>3,110.93</b>	<b>13.32</b>

**Notes:**

\*Refer to note 21 (Non current borrowings) for disclosure of assets held as security.

During the year ended 31 March 2023, the Holding Company has closed its operations at certain laboratories. Accordingly, an accelerated depreciation of Rs. 3.62 million (31 March 2022: Rs. 2.50 million ;31 March 2021: Nil) was charged during the year on assets relating to these locations.

Aqilus Diagnostics Limited (formerly known as SRL Limited)

CIN U74899PB1995PLC045956

**Annexure VII - Notes to the Restated Consolidated Financial Information (Continued)**

(All amounts in Rupees millions, unless otherwise stated)

**Capital work in progress ageing**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
March 2023	6.43	5.01	1.88	-	<b>13.32</b>
March 2022	18.71	2.17	0.32	-	<b>21.20</b>
March 2021	10.79	0.35	-	-	<b>11.14</b>
<b>Projects temporarily suspended*</b>					
March 2023	-	-	-	-	-
March 2022	-	-	-	-	-
March 2021	-	-	-	-	-

There are no projects where completion is overdue or has exceeded its cost compared to its original plan.

\* The above disclosure is net of provision for impairment of Rs. 27.31 million (31 March 2022: Rs. 27.31 million ;31 March 2021: 27.31 Million). Also refer note 56(C).

**6. Goodwill and Other intangible assets**

	Goodwill	Other intangible assets					Total
		Software	Trademark and Non compete	Customer relationships	Trademark (Indefinite useful life)	Intangible assets - Assay developed	
<b>Gross carrying amount</b>							
At 1 April 2020	4,182.26	256.21	585.82	-	-	95.77	937.80
Acquisition through business combination (Refer note 50D)	9.52	-	4.05	-	-	-	4.05
Additions	-	23.56	-	-	-	-	23.56
Disposals	-	(0.04)	-	-	-	-	(0.04)
<b>At 31 March 2021</b>	<b>4,191.78</b>	<b>279.73</b>	<b>589.87</b>	<b>-</b>	<b>-</b>	<b>95.77</b>	<b>965.37</b>
At 1 April 2021	4,191.78	279.73	589.87	-	-	95.77	965.37
Acquisition through business combination (Refer note 50A)	4,138.06	7.32	74.62	573.31	2,150.00	-	2,805.25
Additions	-	20.53	212.40	-	-	-	232.93
Disposals	-	-	-	-	-	-	-
<b>At 31 March 2022</b>	<b>8,329.84</b>	<b>307.58</b>	<b>876.89</b>	<b>573.31</b>	<b>2,150.00</b>	<b>95.77</b>	<b>4,003.55</b>
At 1 April 2022	8,329.84	307.58	876.89	573.31	2,150.00	95.77	4,003.55
Acquisition through business combination (Refer note 50B and 50C)	177.81	0.14	32.41	-	-	-	32.55
Additions (refer note below)	-	4.24	1,272.09	-	-	-	1,276.33
Disposals	-	(0.19)	-	-	-	-	(0.19)
<b>At 31 March 2023</b>	<b>8,507.65</b>	<b>311.77</b>	<b>2,181.39</b>	<b>573.31</b>	<b>2,150.00</b>	<b>95.77</b>	<b>5,312.24</b>
<b>Accumulated amortisation</b>							
At 1 April 2020	-	220.38	399.36	-	-	95.30	715.04
Amortisation	-	23.11	44.34	-	-	0.47	67.92
Disposals	-	(0.04)	-	-	-	-	(0.04)
<b>At 31 March 2021</b>	<b>-</b>	<b>243.45</b>	<b>443.70</b>	<b>-</b>	<b>-</b>	<b>95.77</b>	<b>782.92</b>
At 1 April 2021	-	243.45	443.70	-	-	95.77	782.92
Amortisation	-	25.89	88.75	38.22	-	-	152.86
Disposals	-	-	-	-	-	-	-
<b>At 31 March 2022</b>	<b>-</b>	<b>269.34</b>	<b>532.45</b>	<b>38.22</b>	<b>-</b>	<b>95.77</b>	<b>935.78</b>
At 1 April 2022	-	269.34	532.45	38.22	-	95.77	935.78
Amortisation	-	24.46	208.51	38.22	-	-	271.19
Disposals	-	(0.19)	-	-	-	-	(0.19)
<b>At 31 March 2023</b>	<b>-</b>	<b>293.61</b>	<b>740.96</b>	<b>76.44</b>	<b>-</b>	<b>95.77</b>	<b>1,206.78</b>
<b>Net carrying value</b>							
<b>At 31 March 2021</b>	<b>4,191.78</b>	<b>36.28</b>	<b>146.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182.45</b>
<b>At 31 March 2022</b>	<b>8,329.84</b>	<b>38.24</b>	<b>344.44</b>	<b>535.09</b>	<b>2,150.00</b>	<b>-</b>	<b>3,067.77</b>
<b>At 31 March 2023</b>	<b>8,507.65</b>	<b>18.16</b>	<b>1,440.43</b>	<b>496.87</b>	<b>2,150.00</b>	<b>-</b>	<b>4,105.46</b>

**Goodwill**

Goodwill includes the excess consideration paid by Agilus Pathlabs Private Limited (Formerly known as SRL Diagnostics Private Limited) and Agilus Diagnostics Limited on the net assets of diagnostics businesses acquired by it respectively. Additions to Goodwill represents the excess consideration paid for acquisition of businesses in current and previous years. (Refer Note 50A, 50B, 50C and 50D).

The Group's goodwill and intangible assets having indefinite useful life (Refer Note 50A) are tested for impairment annually at the year-end or more frequently if there are indications that aforementioned assets may be impaired. Based on management's assessment, the Group has divided its business into two cash generating units ("CGU"). The carrying value of goodwill and other intangible assets with indefinite useful life are allocated between these two CGU's and separately tested for impairment. DDRC Agilus Pathlabs Limited (Formerly known as DDRC SRL Diagnostics Limited) (Subsidiary of Agilus Diagnostics Limited) is considered as a separate cash generating unit (CGU) [Goodwill: Rs. 4,138.06 million, Trademarks: Rs. 2,150.00 million] and the Group's remaining business excluding DDRC Agilus Pathlabs Limited is considered as a separate CGU [Goodwill: Rs. 4,369.59 million].

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group made an assessment of recoverable amount of the CGUs based on value-in-use calculations (level 3 fair value) which uses cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using estimate rates stated below.

**Key Assumptions used for value in use calculations are as follows:**

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Revenue growth rate for five years (31 March 2022: 5 years; 31 March 2021: 5 years)	9%-19% p.a.	10%-19% p.a.	10%-19% p.a.
Growth rate used for extrapolation of cash flow projections beyond five-year period (31 March 2022: 5 years ; 31 March 2021: 5 years)	4%-5%	4%	4%
Discount rate (Pre tax rate)	19%	17%	17%

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

**Revenue growth rates** - Average annual revenue growth rate over the five year forecast period is based on past performance, current industry trend, management expectation of market development (including long term inflation forecast).

**Discount rates** - Management estimates discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC).

**Growth rates** - The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations of market development. The weighted average growth rates used were consistent with industry reports.

**Note:**

During the year ended 31 March 2023, the Group has extended its business arrangement with certain doctors. Under the said arrangement, the Group has a right to use a registered trademark and restrict these doctors from entering in pathology business (non-compete). In consideration, the Group is required to make payment of Rs. 1,272.09 million. The same is recorded as additions to Intangible Assets (Trademark and Non-compete) in the current year.

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>7. Investments accounted for using the equity method</b>			
<b>Interest in joint ventures (Unquoted)</b>			
<b>Agilus Diagnostics Nepal Private Limited (Formerly known as SRL Diagnostics (Nepal) Private Limited)</b>			
240,000 (31 March 2022: 240,000 ; 31 March 2021: 240,000) equity shares of Nepalese Rs 100 each fully paid-up (refer note 52)	32.00	31.90	28.84
<b>DDRC Agilus Pathlabs Limited (Formerly known as DDRC SRL Diagnostics Limited)</b>			
Nil (31 March 2022: Nil ;31 March 2021: 250,000) equity shares of Rs. 10 each, fully paid up (refer note 53)	-	-	529.91
<b>Total investments (carrying value)</b>	<b>32.00</b>	<b>31.90</b>	<b>558.75</b>
<b>8. Loans (Non- current)</b>			
<i>(Unsecured considered good unless otherwise stated)</i>			
Loans to employees	8.19	2.09	1.31
<b>Total</b>	<b>8.19</b>	<b>2.09</b>	<b>1.31</b>
<b>9. Other financial assets (Non-Current)</b>			
<i>(Unsecured considered good unless otherwise stated)</i>			
Security deposits			
- Considered good	245.94	241.74	96.03
- Credit impaired	1.86	1.86	1.86
Less: loss allowance	(1.86)	(1.86)	(1.86)
Balances with banks			
- held as margin money*	11.65	3.29	2.77
<b>Total</b>	<b>257.59</b>	<b>245.03</b>	<b>98.80</b>

\* includes interest accrued of Rs 0.38 million (31 March 2022: 0.14 million ; 31 March 2021: 0.10 million)

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>10. Deferred tax</b>			
Deferred tax assets	406.97	409.16	245.83
Deferred tax liabilities	(672.42)	(688.30)	-
<b>Deferred tax assets (net)</b>	<b>(265.45)</b>	<b>(279.14)</b>	<b>245.83</b>

The following is the component wise break up of deferred tax assets/ (liabilities) presented in the financial statements:

**2022-2023**

	As at 01 April 2022	Recognised in profit or loss	Business combination (Refer Note 50B & C)	Recognised in other comprehensive income	As at 31 March 2023
<b>Deferred tax asset</b>					
Property, plant & equipment and other intangible assets	116.62	(13.71)	-	-	102.91
Loss allowance for deposits and advances	20.90	(4.50)	-	-	16.40
Loss allowance for trade receivables	145.72	23.15	-	-	168.87
Lease liability	221.68	28.51	4.30	-	254.49
Provision for gratuity	64.78	4.06	-	(2.42)	66.42
Provision for compensated absences	24.87	(1.39)	-	-	23.48
Expenditure allowed on actual payment basis	16.38	3.13	-	-	19.51
Others	-	7.51	-	-	7.51
<b>Total deferred tax asset</b>	<b>610.95</b>	<b>46.76</b>	<b>4.30</b>	<b>(2.42)</b>	<b>659.59</b>
<b>Deferred tax liability</b>					
Right-of-use assets	(201.08)	(27.08)	(4.30)	-	(232.46)
Property, plant & equipment and other intangible assets	(0.71)	(19.45)	-	-	(20.16)
<b>Total deferred tax liability</b>	<b>(201.79)</b>	<b>(46.53)</b>	<b>(4.30)</b>	<b>-</b>	<b>(252.62)</b>
<b>Deferred tax asset (net)</b>	<b>409.16</b>	<b>0.23</b>	<b>-</b>	<b>(2.42)</b>	<b>406.97</b>
<b>Deferred tax liability on consolidation</b>					
Trademark (Indefinite useful life)	(541.11)	-	-	-	(541.11)
Customer relationships	(134.67)	9.62	-	-	(125.05)
Trademark and non compete	(12.52)	6.26	-	-	(6.26)
<b>Total deferred tax liability</b>	<b>(688.30)</b>	<b>15.88</b>	<b>-</b>	<b>-</b>	<b>(672.42)</b>
<b>Total</b>	<b>(279.14)</b>	<b>16.11</b>	<b>-</b>	<b>(2.42)</b>	<b>(265.45)</b>

**2021-22**

	As at 01 April 2021	Recognised in profit or loss	Business combination (refer note 50A)	Recognised in other comprehensive income	As at 31 March 2022
<b>Deferred tax asset</b>					
Property, plant & equipment and other intangible assets	93.35	8.63	14.64	-	116.62
Loss allowance for deposits and advances	20.50	0.40	-	-	20.90
Loss allowance for trade receivables	131.96	13.72	0.04	-	145.72
Lease liability	136.32	68.98	16.38	-	221.68
Provision for gratuity	48.55	4.39	14.18	(2.32)	64.78
Provision for compensated absences	21.78	3.09	-	-	24.87
Expenditure allowed on actual payment basis	18.54	(2.16)	-	-	16.38
<b>Total deferred tax asset</b>	<b>471.00</b>	<b>97.05</b>	<b>45.24</b>	<b>(2.32)</b>	<b>610.95</b>
<b>Deferred tax liability</b>					
Right-of-use assets	(124.09)	(62.64)	(14.35)	-	(201.08)
Property, plant & equipment and other intangible assets	(2.80)	2.09	-	-	(0.71)
Undistributed profits of subsidiaries	(98.28)	98.28	-	-	-
<b>Total deferred tax liability</b>	<b>(225.17)</b>	<b>37.73</b>	<b>(14.35)</b>	<b>-</b>	<b>(201.79)</b>
<b>Deferred tax asset (net)</b>	<b>245.83</b>	<b>134.78</b>	<b>30.89</b>	<b>(2.32)</b>	<b>409.16</b>
<b>Deferred tax liability on consolidation</b>					
Trademark (Indefinite useful life)	-	-	(541.11)	-	(541.11)
Customer relationships	-	9.62	(144.29)	-	(134.67)
Trademark and non compete	-	6.26	(18.78)	-	(12.52)
<b>Total deferred tax liability</b>	<b>-</b>	<b>15.88</b>	<b>(704.18)</b>	<b>-</b>	<b>(688.30)</b>
<b>Total</b>	<b>245.83</b>	<b>150.66</b>	<b>(673.29)</b>	<b>(2.32)</b>	<b>(279.14)</b>

**2020-21**

	As at 01 April 2020	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2021
<b>Deferred tax asset</b>				
Property, plant & equipment and other intangible assets	108.90	(15.55)	-	93.35
Loss allowance for deposits and advances	19.08	1.42	-	20.50
Loss allowance for trade receivables	106.62	25.34	-	131.96
Lease liability	149.92	(13.60)	-	136.32
Provision for gratuity	43.61	4.81	0.13	48.55
Provision for compensated absences	21.93	(0.15)	-	21.78
Expenditure allowed on actual payment basis	22.79	(4.25)	-	18.54
<b>Total deferred tax asset</b>	<b>472.85</b>	<b>(1.98)</b>	<b>0.13</b>	<b>471.00</b>
<b>Deferred tax liability</b>				
Intangible assets- Assay developed	(0.12)	0.12	-	-
Right-of-use assets	(143.43)	19.34	-	(124.09)
Property, plant & equipment and other intangible assets	-	(2.80)	-	(2.80)
Undistributed profits of subsidiaries*	-	(98.28)	-	(98.28)
Others	(0.43)	0.43	-	-
<b>Total deferred tax liability</b>	<b>(143.98)</b>	<b>(81.19)</b>	<b>-</b>	<b>(225.17)</b>
<b>Deferred tax asset (net)</b>	<b>328.87</b>	<b>(83.17)</b>	<b>0.13</b>	<b>245.83</b>

\*Subsequent to 31 March 2021, Agilus Pathlabs Private Limited (Formerly known as SRL Diagnostics Private Limited), a subsidiary of the Company, declared interim dividend of Rs. 390.48 million. On the undistributed profits amount, deferred tax liabilities of Rs. 98.28 million was recognised.

The Group has not recognised deferred tax asset pertaining to Agilus Pathlabs Reach Limited (formerly known as SRL Reach Limited) (subsidiary company) considering the lack of probability of future taxable profits. Following is component wise breakup:

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>Deferred tax asset</b>			
Loss allowance for trade receivables	14.19	12.79	11.43
Provision for gratuity	0.65	0.55	0.43
Provision for compensated absences	0.36	0.37	0.26
Expenditure allowed on actual payment basis	0.34	0.35	0.42
Unabsorbed depreciation and brought forward loss	3.57	7.28	9.00
	<b>19.11</b>	<b>21.34</b>	<b>21.54</b>
<b>Deferred tax liability</b>			
Property, plant and equipment and intangible assets	(0.33)	(0.44)	(0.56)
	<b>(0.33)</b>	<b>(0.44)</b>	<b>(0.56)</b>
<b>Net Deferred tax assets</b>	<b>18.78</b>	<b>20.90</b>	<b>20.98</b>
<b>Deferred tax assets recognised to the extent of Deferred tax liability</b>	<b>0.33</b>	<b>0.44</b>	<b>0.56</b>
<b>Net deferred tax assets recognised</b>	<b>-</b>	<b>-</b>	<b>-</b>

Details of losses and unabsorbed depreciation on which deferred tax asset is not recognised are as follows:

Expire	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Unused losses	Tax	Unused losses	Tax	Unused losses	Tax
Business loss						
2023-24	-	-	-	-	4.29	1.08
2024-25	-	-	6.24	1.57	9.46	2.38
2028-29	0.90	0.23	9.43	2.37	8.68	2.18
<b>Never expire</b>						
Unabsorbed depreciation	13.28	3.34	13.28	3.34	13.33	3.35

Deferred tax assets has not been recognized on temporary differences in relation to indexation benefit of investment in joint ventures, as the Group is able to control the timing of the reversal of these temporary differences and it is probable that these differences will not reverse in foreseeable future.



	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>11. Other tax assets (net)</b>			
Advance tax and tax deducted at source*	628.53	495.65	381.02
<b>Total</b>	<b>628.53</b>	<b>495.65</b>	<b>381.02</b>
*Net of provision for tax	5,002.01	4,460.59	3,241.46
<b>12. Other non-current assets</b> <i>(Unsecured considered good unless otherwise stated)</i>			
Capital advances			
- Considered good	108.58	66.78	8.01
- Considered doubtful (Refer Note 56(C))	30.34	30.34	30.34
Less: Loss allowance	(30.34)	(30.34)	(30.34)
Prepaid expenses	2.43	0.67	3.50
Deposit against cases with income tax authorities	409.92	406.60	381.49
<b>Total</b>	<b>520.93</b>	<b>474.05</b>	<b>393.00</b>
<b>13. Inventories</b> <i>(lower of cost and net realisable value)</i>			
Consumables : Reagents, chemicals and others	609.73	567.30	375.88
<b>Total</b>	<b>609.73</b>	<b>567.30</b>	<b>375.88</b>

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>14. Trade receivables</b>			
Secured, considered good	68.52	90.36	100.20
Unsecured, considered good	1,731.12	1,615.23	1,471.20
Unsecured, credit impaired	91.16	88.13	90.54
Less: Allowance for expected credit loss	(756.70)	(612.90)	(561.51)
	<b>1,134.10</b>	<b>1,180.82</b>	<b>1,100.43</b>
Due from related parties (refer note 39)			
Unsecured, considered good	297.39	314.64	341.69
Unsecured, credit impaired	28.71	26.61	25.41
Less: Allowance for expected credit loss	(28.71)	(26.61)	(25.41)
	<b>297.39</b>	<b>314.64</b>	<b>341.69</b>
<b>Total</b>	<b>1,431.49</b>	<b>1,495.46</b>	<b>1,442.12</b>
Gross Trade Receivables	2,216.90	2,134.97	2,029.04
Less: Allowance for expected credit loss	(785.41)	(639.51)	(586.92)
<b>Net Trade Receivables</b>	<b>1,431.49</b>	<b>1,495.46</b>	<b>1,442.12</b>
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>Trade receivables ageing</b>			
<b>Outstanding for following periods from due date of payment</b>			
<b>Undisputed trade receivables- considered good</b>			
Not Due	745.23	821.83	750.08
Less than 6 Months	414.81	437.79	460.23
6 Months-1 years	162.98	175.12	165.28
1-2 years	216.51	177.42	190.59
2-3 years	151.14	133.00	156.87
More than 3 years	392.17	262.56	176.65
<b>Total (A)</b>	<b>2,082.84</b>	<b>2,007.72</b>	<b>1,899.70</b>
<b>Undisputed trade receivables- credit impaired</b>			
Less than 6 Months	-	-	-
6 Months-1 years	-	-	-
1-2 years	-	-	-
2-3 years	0.17	-	-
More than 3 years	28.71	26.61	25.41
<b>Total (B)</b>	<b>28.88</b>	<b>26.61</b>	<b>25.41</b>
<b>Disputed trade receivables- credit impaired</b>			
Less than 6 Months	0.01	0.14	3.39
6 Months-1 years	0.17	0.02	0.67
1-2 years	3.17	6.07	9.87
2-3 years	6.88	9.31	28.54
More than 3 years	80.76	72.59	48.07
<b>Total (C)</b>	<b>90.99</b>	<b>88.13</b>	<b>90.54</b>
<b>Trade receivable - unbilled (D)</b>			
Less than 6 Months	14.19	12.51	13.39
<b>Total (A+B+C+D)</b>	<b>2,216.90</b>	<b>2,134.97</b>	<b>2,029.04</b>

**Notes:**

- (a) Credit risk arising from trade receivables is managed in accordance with the Group's established policy with regard to credit limits, control and approval procedures. The concentration of credit risk is limited due to the fact that the customer base is large. The Group further limits its credit risk by establishing a maximum credit period upto 90 days for all its customers (other than related parties). There are no customers which represent more than 5% of the total balance of trade receivables except as mentioned below.

Customer Name	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Fortis Hospitals Limited	140.16	147.99	123.79
Hiranandani Healthcare Private Limited	-	-	79.82

- (b) In accordance with Ind AS 109, the Group applied Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection. The Group has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. Management makes specific provision in cases where there are known specific risks of customer default in making the repayments. The provision matrix takes into account historical credit loss experience and 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 given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

<b>Ageing</b>	<b>Expected credit loss (%)</b>
Not Due	0% - 13%
0-1 year	0% - 41%
1-2 years	28% - 100%
2-3 years	38% - 100%
More than 3 Years	80% - 100%

	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>Movement in expected credit loss allowance</b>			
Balance at the beginning of the year	639.51	586.92	466.24
Add: Recognised during the year	143.65	76.55	142.67
Add: Acquisition through business combination	-	0.17	-
Add: Exchange loss on translation	10.61	6.08	(3.01)
Less: Bad debts during the year	(8.36)	(30.21)	(18.98)
<b>Balance at end of the year</b>	<b>785.41</b>	<b>639.51</b>	<b>586.92</b>

Information about Groups's exposure to credit risk and currency risk is disclosed in Note 45(C)

	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>15. Cash and cash equivalents</b>			
Balances with banks			
- On current accounts	501.63	519.48	1,431.85
- Deposits with original maturity of three months or less*	625.88	503.69	815.69
Cheques on hand	0.29	0.40	2.07
Cash on hand	9.64	12.21	16.55
<b>Total</b>	<b>1,137.44</b>	<b>1,035.78</b>	<b>2,266.16</b>

\* includes interest accrued of Rs 3.55 million (31 March 2022: 1.32 million ; 31 March 2021: 2.86 million)

	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>16. Bank balances other than cash and cash equivalents</b>			
Balances with banks*			
- held as margin money	13.90	13.29	19.36
- deposits with original maturity of more than 3 months but less than 12 months	2,085.52	2,573.15	1,317.07
	<b>2,099.42</b>	<b>2,586.44</b>	<b>1,336.43</b>

\* includes interest accrued of Rs 20.59 million (31 March 2022: 17.74 million ; 31 March 2021: 9.63 million)

	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>17. Loans (Current)</b>			
<i>(Unsecured considered good unless otherwise stated)</i>			
Loan to Employees			
- Considered good	2.20	1.87	-
- Credit impaired	0.29	0.29	-
Less: Loss allowance	(0.29)	(0.29)	-
Loans to related parties (includes interest accrued)**	-	-	1,098.30
<b>Total</b>	<b>2.20</b>	<b>1.87</b>	<b>1,098.30</b>
The particulars of loans given as required to be disclosed by Section 186 (4) of Companies Act 2013 are as below:			
<b>**Loans outstanding from :</b>			
Fortis Hospitals Limited	-	-	767.72
Escorts Heart Institute and Research Limited	-	-	193.08
Hiranandani Healthcare Private Limited	-	-	137.50
The loans were given to meet working capital requirement (refer note 39)			
Interest rate (p.a.)	-	-	10.50%
Repayment terms	-	-	10th June 2021
	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>18. Other financial assets (Current)</b>			
<i>(Unsecured considered good unless otherwise stated)</i>			
Security deposits			
- Considered good	77.71	47.46	41.65
- Credit impaired (Refer Note 56(c))	37.24	37.24	37.24
Less:- Loss allowance	(37.24)	(37.24)	(37.24)
Advances recoverable:			
- Considered good *	1.92	3.79	5.60
- Credit impaired	18.31	36.17	34.86
Less:- Loss allowance	(18.31)	(36.17)	(34.86)
Balances with Banks #			
- held as margin money	-	0.44	-
- deposits with remaining maturity of less than 12 months from the reporting date	87.81	61.83	-
<b>Total</b>	<b>167.44</b>	<b>113.52</b>	<b>47.25</b>
* includes advances to related party (refer note 39)	0.40	0.40	1.21
# includes interest accrued of Rs 2.41 million (31 March 2022: Rs 2.17 million ;31 March 2021: Rs Nil)			
	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>19. Other current assets</b>			
<i>(Unsecured considered good unless otherwise stated)</i>			
Prepaid expenses :			
- Considered good	55.39	79.80	53.56
- Considered doubtful	0.93	0.93	0.93
Less:- Loss allowance	(0.93)	(0.93)	(0.93)
Advances to supplier and employees :			
- Considered good	73.44	33.63	24.38
- Considered doubtful	3.18	3.18	2.74
Less:- Loss allowance	(3.18)	(3.18)	(2.74)
Balance with statutory authorities	0.67	0.69	0.52
<b>Total</b>	<b>129.50</b>	<b>114.12</b>	<b>78.46</b>

**20. Equity share capital**

	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>Authorised share capital</b>						
Equity Shares of Rs. 10 each	89,000,000	890.00	89,000,000	890.00	89,000,000	890.00
Compulsorily convertible preference shares of Rs. 20 each	4,000,000	80.00	4,000,000	80.00	4,000,000	80.00
<b>Total</b>	<b>93,000,000</b>	<b>970.00</b>	<b>93,000,000</b>	<b>970.00</b>	<b>93,000,000</b>	<b>970.00</b>
<b>Issued and subscribed share capital</b>						
Equity Shares of Rs.10 each fully paid up shares for consideration in cash	60,017,582	600.18	60,017,582	600.18	60,017,582	600.18
Equity Shares of Rs.10 each fully paid up shares for consideration other than cash	18,407,960	184.08	18,407,960	184.08	18,407,960	184.08
<b>Total</b>	<b>78,425,542</b>	<b>784.26</b>	<b>78,425,542</b>	<b>784.26</b>	<b>78,425,542</b>	<b>784.26</b>

**a) Reconciliation of shares outstanding at the beginning and at the end of the year**

	Year ended 31 March 2023		Year ended 31 March 2022		Year ended 31 March 2021	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>						
Outstanding at the beginning of the year	78,425,542	784.26	78,425,542	784.26	78,425,542	784.26
Outstanding at the end of the year	<b>78,425,542</b>	<b>784.26</b>	<b>78,425,542</b>	<b>784.26</b>	<b>78,425,542</b>	<b>784.26</b>

**b) Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 each. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. Each holder of equity share is entitled to one vote per share.

**c) Shares held by holding Company/ultimate holding company and/or its subsidiaries**

Promoter's Name	As at 31 March 2023			As at 31 March 2022			As at 31 March 2021		
	Number of shares	Amount	% of Total shares	Number of shares	Amount	% of Total shares	Number of shares	Amount	% of Total shares
<b>Equity shares of Rs. 10 each</b>									
Fortis Healthcare Limited (holding company)	45,236,779	452.37	57.68%	45,236,779	452.37	57.68%	45,236,779	452.37	57.68%

Fortis Healthcare Limited is the promoter of the Group. There has been no change in promoter shareholding during the three years ended 31 March 2023.

**d) Details of shares held by each shareholder holding more than 5% shares**

Equity shares of Rs. 10 each	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	No. of shares held	% of Holding	No. of shares held	% of Holding	No. of shares held	% of Holding
Fortis Healthcare Limited	45,236,779	57.69%	45,236,779	57.69%	45,236,779	57.69%
Resurgence PE Investments Limited (Formerly known as Avigo PE Investments Ltd)	6,310,315	8.05%	6,310,315	8.05%	6,310,315	8.05%
NYLIM Jacob Ballas India Fund III LLC	12,437,811	15.86%	12,437,811	15.86%	12,437,811	15.86%
International Finance Corporation	5,970,149	7.61%	5,970,149	7.61%	5,970,149	7.61%
Axis Bank Limited	4,300,000	5.48%	4,300,000	5.48%	4,300,000	5.48%

**e) Share options under the Company's employee share option plan**

a) Under the 'Super Religare Laboratories Limited Employee Stock Option Plan 2009' (the 'Scheme') as at 31 March 2023 - 513,209 (31 March 2022: 513,209 ; 31 March 2021: 487,018) outstanding options are convertible into 513,209 (31 March 2022: 513,209 ; 31 March 2021: 487,018) equity shares. (refer note 46).

b) Under the 'SRL Limited Employee Stock Option Scheme 2013' (the 'Scheme') as at 31 March 2023 - 271,500 (31 March 2022: 271,500 ; 31 March 2021: 296,500) outstanding options are convertible into 271,500 (31 March 2022: 271,500 ; 31 March 2021: 296,500) equity shares. (refer note 46).

**f) Aggregate number of equity shares issued for consideration other than cash during the period of five year immediately preceding the reporting date**

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
	<u>Number of Shares</u>	<u>Number of Shares</u>	<u>Number of Shares</u>
Equity Shares of Rs.10 each fully paid up shares for consideration other than cash	5,970,149	18,407,960	18,407,960

During the year 2016-17, NYLIM Jacob Ballas India Fund III LLC (NJBIF) exercised their right to convert the Compulsorily convertible preference shares (CCPS) into equity shares of the Company vide their request letter dated 21 September 2016. Board of directors in their meeting held on 08 November 2016, had approved allotment of 12,437,811 equity shares to NJBIF pursuant to such conversion at premium of Rs. 3.40 per share.

During the year 2017-18, International Finance Corporation (IFC) have exercised their right to convert Compulsorily convertible preference shares (CCPS) into equity shares of the Company vide their request letter dated 29 May 2017. Board of directors in their meeting held on 30 May 2017, had approved allotment of 5,970,149 equity shares to IFC pursuant to such conversion at premium of Rs. 3.40 per share.

**Agilus Diagnostics Limited (formerly known as SRL Limited)**  
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**Annexure VII - Notes to the Restated Consolidated Financial Information (Continued)**  
*(All amounts in Rupees millions, unless otherwise stated)*

	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>21. Borrowings (Non - Current)</b>			
<b>Term loans</b>			
<b>Vehicle loans (Secured)**</b>			
From Banks	25.43	17.78	6.42
From Financial Institution	1.72	3.62	5.01
<b>From related parties (Unsecured)</b>			
Fellow Subsidiary*	1.32	1.22	1.17
Less: Current maturities classified as current borrowings (Refer Note 24)	(9.33)	(6.39)	(2.83)
Less: Interest accrued but not due on borrowings (Refer Note 26)	(0.18)	(0.11)	(0.07)
<b>Total</b>	<b>18.96</b>	<b>16.12</b>	<b>9.70</b>
*Group has obtained interest free loan without any fixed payment term from "Medical Management Company Limited" (subsidiary of Parent company).			
**The Group has taken vehicle loans on the following terms:			
Rate of interest	7.00% - 9.25% p.a.	7.00% - 8.65% p.a.	7.70% - 8.65% p.a.
Loan repayable in	48 monthly instalments	48 monthly instalments	48 monthly instalments
The vehicle loan is secured by hypothecation of respective assets (vehicles). Information about the Group's exposure to interest rate and liquidity risks is included in Note 45 (C) .			
<b>22. Other financial liabilities</b>			
<b>Non-Current</b>			
Payable towards purchase of intangible assets	192.58	32.15	58.68
<b>Total</b>	<b>192.58</b>	<b>32.15</b>	<b>58.68</b>
<b>23. Provisions</b>			
<b>Non-current</b>			
<b>Provision for employee benefits</b>			
Provision for gratuity (refer note 43)	231.25	233.89	183.13
Provision for compensated absences	73.94	77.16	66.07
<b>Total</b>	<b>305.19</b>	<b>311.05</b>	<b>249.20</b>
<b>24. Borrowings - Current</b>			
Current maturities of non-current borrowings (Refer note 21)	9.33	6.39	2.83
<b>Total</b>	<b>9.33</b>	<b>6.39</b>	<b>2.83</b>
<b>25. Trade Payables</b>			
(i) total outstanding dues of micro enterprises and small enterprises (refer note 49)	166.10	83.53	28.14
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,228.62	1,209.61	1,135.95
	<b>1,394.72</b>	<b>1,293.14</b>	<b>1,164.09</b>
<b>Trade payables ageing-Undisputed</b>			
<b>Outstanding for following periods from due dates of payments</b>			
<b>Micro enterprises and small enterprises (MSME)- Undisputed</b>			
Not due	74.58	28.34	10.87
Less than 1 year	81.61	53.23	16.52
1-2 year	8.00	1.93	0.18
2-3 year	0.80	0.01	0.13
More than 3 year	1.11	0.02	0.44
<b>Total (A)</b>	<b>166.10</b>	<b>83.53</b>	<b>28.14</b>
<b>Others- Undisputed</b>			
Not due	243.91	148.70	203.74
Less than 1 year	553.56	775.62	527.17
1-2 year	155.55	120.38	181.23
2-3 year	156.81	93.06	128.18
More than 3 year	118.79	71.85	95.63
<b>Total (B)</b>	<b>1,228.62</b>	<b>1,209.61</b>	<b>1,135.95</b>
<b>Total (A+B)</b>	<b>1,394.72</b>	<b>1,293.14</b>	<b>1,164.09</b>

Information about the Group's exposure to foreign currency and liquidity risks is included in Note 45(C).  
The Group does not have any disputed dues which are payable as at the year end.  
Refer note 39 for related party disclosures

**Agilus Diagnostics Limited (formerly known as SRL Limited)**  
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**Annexure VII - Notes to the Restated Consolidated Financial Information (Continued)**  
*(All amounts in Rupees millions, unless otherwise stated)*

	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>26. Other financial liabilities - Current</b>			
Deposits from customers	166.34	186.06	180.49
Employee benefits payable	176.12	178.45	148.65
Payable towards purchase of property, plant and equipment and intangible assets	262.20	53.76	47.17
Liability against indemnification (refer note below)*	7.47	7.47	7.47
Deferred/contingent purchase consideration (refer note 50A, 50B and 50C)	82.68	124.90	-
Payable to related parties (refer note 39)	0.87	0.55	1.25
Interest accrued but not due on borrowings (refer note 21)	0.18	0.11	0.07
<b>Total</b>	<b>695.86</b>	<b>551.30</b>	<b>385.10</b>
*At the time of acquisition of Piramal labs [Agilus Pathlabs Private Limited (Formerly known as SRL Diagnostics Private Limited)], it was agreed that any charge relating to tax litigations before the date of acquisition shall be indemnified to Holding Company. Accordingly, the amount paid by Piramal to Agilus Diagnostics Limited (Holding Company), has been shown under liability against indemnification till tax litigations are settled.			
<b>27. Other current liabilities</b>			
Advances from customers *	137.97	103.61	81.55
Statutory dues payables	123.52	111.94	133.97
Liability towards customer loyalty program**	17.24	24.72	15.19
Deferred revenue (refer note 48)	6.17	6.46	9.68
<b>Total</b>	<b>284.90</b>	<b>246.73</b>	<b>240.39</b>
* includes advances from related party (refer note 39)	0.65	0.02	0.02
**The movement during the year is as below :			
Opening balance	24.72	15.19	12.52
Addition during the year	24.54	37.01	38.65
Utilised during the year	(32.02)	(27.48)	(35.98)
Closing balance	<b>17.24</b>	<b>24.72</b>	<b>15.19</b>
<b>28. Provisions</b>			
<b>Provision for employee benefits</b>			
Provision for gratuity (refer note 43)	40.41	36.69	28.82
Provision for compensated absences	21.61	24.42	24.79
<b>Provision for contingencies</b>			
Provision for litigation *	17.08	16.50	15.97
<b>Total</b>	<b>79.10</b>	<b>77.61</b>	<b>69.58</b>
<b>*The movement during the year is below :</b>			
Opening balance	16.50	15.97	15.40
Addition during the year	0.58	0.53	0.57
Paid during the year	-	-	-
<b>Closing balance</b>	<b>17.08</b>	<b>16.50</b>	<b>15.97</b>
* In earlier periods, ESI Corporation has passed an order stating that the Kolkata operations in Agilus Pathlabs Private Limited (Formerly known as SRL Diagnostics Private Limited) are covered under the provisions of ESI Act. Subsequently, Agilus Pathlabs Private Limited received an order from ESI Corporation in which demand amounting to Rs. 1.71 million was raised for the period from April 2007 to March 2008. The Group has disputed the said orders and filed an appeal with ESI Court which is pending for disposal. Pending settlement of the matter, the Group is recognizing provision in books for ESI liability for the period subsequent to 1 April 2007. The same will be paid once the matter is settled.			
<b>29 Current tax liabilities (net)</b>			
Income tax payable *	12.79	4.62	-
<b>Total</b>	<b>12.79</b>	<b>4.62</b>	<b>-</b>
*Net of advance tax	165.43	283.22	-

**Agilus Diagnostics Limited (formerly known as SRL Limited)**  
**CIN U74899PB1995PLC045956**  
**Annexure VII - Notes to the Restated Consolidated Financial Information (Continued)**  
*(All amounts in Rupees millions, unless otherwise stated)*

	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
<b>30. Revenue from operations</b>			
Sale of services (refer note 48)	13,323.55	15,875.70	10,211.79
Other operating revenues			
- Management fees	96.09	84.98	79.23
- Business support service	-	-	10.23
- Liabilities/provisions no longer required written back	47.32	88.43	49.48
- Others	7.66		
<b>Total</b>	<b>13,474.62</b>	<b>16,049.11</b>	<b>10,350.73</b>
<b>31. Other income</b>			
Interest income earned on financial assets measured at amortised cost:			
- Bank deposits	137.85	96.02	98.66
- Loans to fellow subsidiaries	-	13.70	124.09
- Security deposits	12.25	10.54	12.44
Interest income on:			
- Income tax refund	3.97	0.08	0.03
- Others	0.19	0.21	0.47
Gain on sale of investment	7.40	-	-
Gain on termination of lease	18.25	-	-
Exchange differences (net)	17.50	11.06	-
Gain on disposal of property, plant and equipment (net)	32.95	-	1.13
Miscellaneous income	6.04	2.75	19.39
<b>Total</b>	<b>236.40</b>	<b>134.36</b>	<b>256.21</b>
<b>32. Cost of materials consumed</b>			
Reagents, chemicals and consumables			
Inventories at the beginning of the year	567.30	375.88	305.65
Add: Purchase during the year (net)	3,202.22	4,182.78	2,946.43
	<b>3,769.52</b>	<b>4,558.66</b>	<b>3,252.08</b>
Less: Inventories at the end of the year	(609.73)	(567.30)	(375.88)
<b>Total</b>	<b>3,159.79</b>	<b>3,991.36</b>	<b>2,876.20</b>
<b>33. Employee benefits expense</b>			
Salaries and wages	2,809.07	2,818.36	2,247.43
Share based payments to employees (refer note 46)	-	-	(9.43)
Contribution to provident and other funds (refer note 43)	181.74	166.47	129.53
Gratuity expense (refer note 43)	41.96	39.01	34.60
Staff welfare expenses	46.05	48.73	32.82
<b>Total</b>	<b>3,078.82</b>	<b>3,072.57</b>	<b>2,434.95</b>
<b>34. Finance costs</b>			
Interest expense on financial liabilities measured at amortised cost:			
- borrowings	1.93	1.28	0.43
- security deposit	0.14	3.20	4.04
Interest expense on:			
- net defined benefit obligation (refer note 43)	16.54	14.81	9.69
- lease liability (refer note 40)	88.64	80.02	63.03
- deferred purchase consideration / liability towards intangibles	19.24	13.06	-
- others	5.65	10.41	13.96
Bank Charges	22.37	34.86	26.78
<b>Total</b>	<b>154.51</b>	<b>157.64</b>	<b>117.93</b>
<b>35. Depreciation and amortisation expense</b>			
Depreciation of property, plant and equipment	325.85	387.12	245.81
Depreciation of right-of-use assets (refer note 40)	292.66	262.79	206.92
Amortisation of intangible assets	271.19	152.86	67.92
<b>Total</b>	<b>889.70</b>	<b>802.77</b>	<b>520.65</b>
<b>36. Other expenses</b>			
Power and fuel	207.98	196.04	150.34
Rent and hire charges (Refer Note 40)	305.92	279.35	145.22
Rates and taxes	28.99	21.09	26.61
Insurance	32.54	41.29	22.91
Repairs and maintenance:			
- Plant and machinery	202.44	198.50	142.55
- Buildings	16.20	11.60	11.45
- Others	47.57	39.46	33.68
Advertisement and sales promotion	503.36	545.03	290.89
Postage and courier	447.22	392.51	306.88
Travelling and conveyance	112.43	103.23	62.28
Printing and stationery	84.80	116.21	67.30
Communication	40.01	45.49	34.93
Fees to collection centers	1,140.39	1,232.98	690.23
Legal and professional (refer note below for payment to auditors)	209.85	246.35	193.10
Professional fees to doctors	950.57	977.21	689.25
Net foreign exchange loss	-	-	8.28
Corporate social responsibility expenses (refer note 44)	51.27	40.86	29.55
Loss on disposal of property, plant and equipment (net)	-	3.45	-
Advances written off	-	-	1.08
Loss allowance for deposits and advances	1.36	1.60	5.64
Loss allowance for trade receivables (refer note 14)	143.65	76.55	142.67
Housekeeping expenses	34.81	28.51	23.43
Security services expenses	36.45	33.95	21.51
Miscellaneous expenses	78.66	89.26	68.43
<b>Total</b>	<b>4,676.47</b>	<b>4,720.52</b>	<b>3,168.21</b>



**Agilus Diagnostics Limited (formerly known as SRL Limited)**  
**CIN U74899PB1995PLC045956**  
**Annexure VII - Notes to the Restated Consolidated Financial Information (Continued)**  
*(All amounts in Rupees millions, unless otherwise stated)*

	Year ended 31 March 2023		Year ended 31 March 2022		Year ended 31 March 2021	
<b>Note: Payment to auditors comprises (net of tax):</b>						
<b>As auditor</b>						
Statutory audit*		7.87		8.85		6.70
Limited review		5.67		5.40		5.40
Tax audit		1.15		1.10		0.89
Certification		0.32		0.20		0.20
<b>In other capacity</b>						
Reimbursement of expenses		0.87		0.26		0.68
		<b>15.88</b>		<b>15.81</b>		<b>13.87</b>
* Payment made to auditors for the year ended March 2022 includes Rs. 0.27 million paid to previous auditors.						
<b>37. (a) Income taxes recognised in restated consolidated statement of profit and loss :</b>						
	Year ended 31 March 2023		Year ended 31 March 2022		Year ended 31 March 2021	
<b>Current tax</b>						
Current tax		431.80		967.12		407.84
Deferred tax (credit)/charge		(16.11)		(150.66)		83.17
<b>Total</b>		<b>415.69</b>		<b>816.46</b>		<b>491.01</b>
<b>(b) Recognised in other comprehensive income :</b>						
Tax expense related to items that will not be reclassified to profit or loss		2.42		2.32		0.07
<b>Total</b>		<b>2.42</b>		<b>2.32</b>		<b>0.07</b>
<b>(c) The income tax expense for the year reconciled to the accounting profit as follows:</b>						
	<b>Tax Rate</b>	<b>Year ended 31 March 2023</b>	<b>Tax Rate</b>	<b>Year ended 31 March 2022</b>	<b>Tax Rate</b>	<b>Year ended 31 March 2021</b>
<b>Profit before tax</b>		<b>1,582.05</b>		<b>6,363.54</b>		<b>1,803.46</b>
Tax using Company's domestic tax rate @ 25.17%	25.17%	398.20	25.17%	1,601.70	25.17%	453.93
<b>Tax effect of :</b>						
Non deductible expenses (net)	0.44%	6.94	0.30%	18.89	0.65%	11.63
Share of loss/(profits) in equity accounted investees	0.00%	(0.02)	-0.04%	(2.27)	-6.08%	(109.66)
Differences in tax rates in foreign jurisdiction	0.67%	10.57	-0.49%	(31.31)	1.38%	24.82
Current year losses for which no deferred tax asset was recognised	-	-	-	-	0.29%	5.18
Change in tax laws	-	-	-	-	0.38%	6.83
Undistributed profits of subsidiaries	-	-	-	-	5.45%	98.28
Gain on remeasurement of equity interest	-	-	-12.11%	(770.55)	-	-
Income tax expense recognised in restated consolidated statement of profit and loss	<b>26.28%</b>	<b>415.69</b>	<b>12.83%</b>	<b>816.46</b>	<b>27.23%</b>	<b>491.01</b>
<b>(d) Unrecognised temporary differences</b>						
Temporary differences relating to investments in subsidiaries and joint ventures for which deferred tax liabilities have not been recognised.						
<b>Undistributed earnings (Before elimination)</b>						
Agilus Pathlabs Private Limited (Formerly Known as SRL Diagnostics Private Limited)		1,264.74		1,066.30		981.20
Agilus Diagnostics Nepal Private Limited (Formerly Known as SRL Diagnostics (Nepal) Private Limited)		17.00		16.90		13.83
DDRC Agilus Pathlabs Limited (Formerly known as DDRC SRL Diagnostics Limited)		1,318.72		1,210.73		467.30
		<b>2,600.46</b>		<b>2,293.93</b>		<b>1,462.33</b>
Unrecognised deferred tax liabilities relating to the above temporary differences		<b>654.54</b>		<b>577.38</b>		<b>368.07</b>

Subsidiaries and joint venture (amount disclosed above represents Group's share) have undistributed earnings, which, if paid out of dividends, would be subject to tax. An assessable temporary difference exists and no deferred tax liability has been recognised as the Holding Company is able to control the timings of distributions from these subsidiaries and joint venture.

	<u>Year ended</u> <u>31 March 2023</u>	<u>Year ended</u> <u>31 March 2022</u>	<u>Year ended</u> <u>31 March 2021</u>
<b>38. Earnings per share (EPS)</b>			
Basic earnings per share in rupees (refer details below)	14.87	70.73	16.74
Diluted earnings per share in rupees (refer details below)	14.76	70.21	16.62
<b>Basic earnings per share</b>			
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:			
Earnings used in the calculation of basic earning per share:			
Restated profit for the year attributable to owners of the Company	1,166.36	5,547.08	1,312.45
Weighted average number of equity shares for the purpose of basic EPS	78,425,542	78,425,542	78,425,542
Face value per equity share	10	10	10
<b>Diluted earnings per share</b>			
The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows:			
Earnings used in the calculation of diluted earning per share:			
Restated profit for the year attributable to owners of the Company	1,166.36	5,547.08	1,312.45
The weighted average number of equity shares for the purpose of diluted earnings per share	79,004,021	79,004,021	78,979,410
<b>Reconciliation of weighted average number of equity shares used for the purpose of diluted EPS with weighted average number of equity shares used in the calculation of basic EPS :</b>			
Weighted average number of equity shares used in the calculation of basic earnings per share	78,425,542	78,425,542	78,425,542
Shares deemed to be issued in respect of:			
- Employee stock options (numbers)*	578,479	578,479	553,868
Weighted average number of equity shares for the purpose of diluted EPS	<u>79,004,021</u>	<u>79,004,021</u>	<u>78,979,410</u>

\*The average market value of the Group's shares for the purpose of calculating the dilutive effect of share options was based on fair valuation performed by the Group.

**39. Related party disclosures**

**I Disclosures post elimination of intra-group transactions**

**A. Related parties where control exists :**

**(i) Ultimate holding Company**

IHH Healthcare Berhad

**(ii) Enterprises having direct control over the Group/ Holding Company**

Fortis Healthcare Limited

**(iii) Joint venture company**

Agilus Diagnostics Nepal Private Limited (Formerly known as SRL Diagnostics (Nepal) Private Limited)  
DDRC Agilus Pathlabs Limited (Formerly known as DDRC SRL Diagnostics Limited) (upto 04 April 2021)

**B. Other related parties with whom transactions have taken place or balances are outstanding at year end:**

**1. Enterprises owned or controlled by Holding Company (Directly or Indirectly)**

Escorts Heart Institute & Research Centre Limited  
Fortis Health Management Limited  
Fortis Hospitals Limited  
Fortis Malar Hospitals Limited  
Hiranandani Healthcare Private Limited  
Medical Management Company Limited, BVI  
Mena Healthcare Investment Company Limited, BVI  
International Hospital Limited

**2. Enterprises owned or controlled/ significantly influenced by ultimate holding company (Directly or Indirectly)**

Apollo Gleneagles Hospital Limited (upto 22 April 2021)  
Apollo Hospitals Enterprises Limited (upto 22 April 2021)  
Centre for Digestive and Kidney Diseases (India) Private Limited  
Bharat Insecticides Limited  
Continental Hospitals Private Limited (upto 13 December 2021)  
Ravindranath GE Medical Associates Private Limited

**3. Enterprise significantly influenced by the Holding company**

Lanka Hospitals Diagnostics (Pvt) Ltd

**4. Enterprise jointly controlled by the Holding company**

Fortis C-DOC Healthcare Limited

**5. Entities having a common director**

Jacob Ballas Capital India Private Limited  
Trivitron Health Care Private Limited (upto 19 May 2020)

**C. Key Management Personnel**

Mr. Ravi Rajagopal, Independent Director  
Ms. Suvalaxmi Chakraborty, Independent Director  
Mr. Anand K, Chief Executive Officer  
Mr. Arindam Halder, Chief Executive Officer (upto 4 August 2020)  
Mr. Mangesh Shrikant Shirodkar, Chief Financial Officer  
Mr. Sumit Goel, Company Secretary (upto 18 April 2022)  
Mr. Murlee Manohar Jain, Company Secretary (from 20 May 2022)

**D. Transactions with related parties**

**Nature of transaction / Name of the Related party**

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
<b>(a) Rendering of services:</b>			
Escorts Heart Institute & Research Centre Limited	175.35	166.75	133.66
Fortis C-DOC Healthcare Limited	8.47	7.94	5.98
Fortis Health Management Limited	21.09	18.09	13.56
Fortis Healthcare Limited	170.85	142.07	147.91
Fortis Hospitals Limited	1,140.58	1,051.93	884.30
Fortis Malar Hospitals Limited	34.60	37.21	27.65
Hiranandani Healthcare Private Limited	57.93	80.70	62.79
Agilus Diagnostics Nepal Private Limited	23.43	21.42	17.64
DDRC Agilus Pathlabs Limited	-	-	10.14
International Hospital Limited	13.50	12.16	12.00
Apollo Gleneagles Hospital Limited	-	0.32	5.63
Apollo Hospitals Enterprises Limited	-	0.11	4.32
Lanka Hospitals Diagnostics (Pvt) Ltd	4.69	4.21	6.51
Centre for Digestive and Kidney Diseases (India) Private Limited	-	10.05	1.87
Ravindranath GE Medical Associates Private Limited	-	0.18	-
Bharat Insecticides Limited	-	0.02	0.15
Continental Hospitals Private Limited	-	0.14	-
	<b>1,650.49</b>	<b>1,553.30</b>	<b>1,334.11</b>
<b>Other income:</b>			
DDRC Agilus Pathlabs Limited	-	0.14	12.60
<b>(b) Receiving of services</b>			
<b>Cost of test outsourced</b>			
Fortis Hospitals Limited	4.82	6.22	4.12
Fortis Healthcare Limited	0.62	0.13	0.02
Fortis Health Management Limited	-	1.55	0.43
Escorts Heart Institute & Research Centre Limited	0.02	0.02	0.03
	<b>5.46</b>	<b>7.92</b>	<b>4.60</b>
<b>(c) Reimbursement of expenses to:</b>			
Escorts Heart Institute & Research Centre Limited	-	5.40	12.19
Fortis Healthcare Limited	3.85	2.37	1.92
Fortis Hospitals Limited	5.59	5.59	6.46
Hiranandani Healthcare Private Limited	1.89	7.07	6.53
Agilus Diagnostics Nepal Private Limited	1.90	1.50	0.96
DDRC Agilus Pathlabs Limited	-	-	1.53
	<b>13.23</b>	<b>21.93</b>	<b>29.59</b>
<b>(d) Reimbursement of expenses from:</b>			
Escorts Heart Institute & Research Centre Limited	-	1.36	1.18
Fortis Healthcare Limited	0.94	2.52	1.12
Fortis Hospitals Limited	0.01	19.39	18.44
Hiranandani Healthcare Private Limited	15.26	31.13	24.40
Fortis Malar Hospitals Limited	-	1.53	1.40
Agilus Diagnostics Nepal Private Limited	1.64	0.12	0.23
	<b>17.85</b>	<b>56.05</b>	<b>46.77</b>

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
<b>(e) Remuneration to key managerial personnel</b>			
<b>Short term employee benefits- Salary and wages</b>			
Mr. Anand K, Chief Executive Officer	48.20	32.93	13.83
Mr. Mangesh Shrikant Shirodkar, Chief Financial Officer	15.37	9.53	7.83
Mr. Arindam Haldar, Chief Executive Officer	-	-	24.50
Mr. Sumit Goel, Company Secretary	0.17	2.37	1.92
Mr. Murlee Manohar Jain, Company Secretary	3.68	-	-
Mr. Ravi Rajagopal*	1.30	1.53	2.12
Ms. Suvalaxmi Chakraborty*	1.77	1.65	2.36
	<b>70.49</b>	<b>48.01</b>	<b>52.56</b>
<b>Note:</b> The remuneration to the key managerial personnel includes gratuity paid, compensated absences paid and incentives but does not include the provisions made for gratuity and compensated absences, as they are determined on an actuarial basis for the company as a whole.			
* Sitting fees paid			
<b>(f) Purchase of reagents and consumables</b>			
Fortis Hospitals Limited	2.29	1.46	1.44
Fortis Health Management Limited	-	0.05	0.13
Hiranandani Healthcare Private Limited	0.01	0.08	0.03
Trivitron Health Care Private Limited	-	-	1.73
	<b>2.30</b>	<b>1.59</b>	<b>3.33</b>
<b>(g) Sale of property, plant and equipment</b>			
Hiranandani Healthcare Private Limited	16.70	-	-
	<b>16.70</b>	<b>-</b>	<b>-</b>
<b>(h) Loans repaid</b>			
Fortis Hospitals Limited	-	749.20	152.60
Escorts Heart Institute and Research Limited	-	188.40	38.80
Hiranandani Healthcare Private Limited	-	134.10	36.90
	<b>-</b>	<b>1,071.70</b>	<b>228.30</b>
<b>(i) Interest income</b>			
Fortis Hospitals Limited	-	7.67	86.17
Escorts Heart Institute and Research Limited	-	3.66	21.72
Hiranandani Healthcare Private Limited	-	2.38	16.20
	<b>-</b>	<b>13.71</b>	<b>124.09</b>
<b>(j) Dividend income</b>			
DDRC Agilus Pathlabs Limited	-	110.45	280.00
	<b>-</b>	<b>110.45</b>	<b>280.00</b>
<b>(k) Dividend paid</b>			
Fortis Healthcare Limited	214.87	-	-
	<b>214.87</b>	<b>-</b>	<b>-</b>

	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
<b>E. Balances outstanding at the year end:</b>			
<b>(a) Trade Receivables</b>			
Escorts Heart Institute & Research Centre Limited	35.73	30.75	50.56
Fortis C-DOC Healthcare Limited	38.69	32.94	27.73
Fortis Health Management Limited	2.07	1.29	1.40
Fortis Healthcare Limited (Refer note b)	45.91	50.03	31.95
Fortis Hospitals Limited	140.16	147.99	123.79
Fortis Malar Hospitals Limited	2.90	6.81	3.18
Hiranandani Healthcare Private Limited	4.13	28.19	79.82
Agilus Diagnostics Nepal Private Limited	26.68	13.66	15.26
DDRC Agilus Pathlabs Limited	-	-	0.76
Mena Healthcare Investment Company Limited, BVI	28.71	26.61	25.41
International Hospital Limited	1.04	0.76	2.03
Apollo Gleneagles Hospital Limited	-	-	2.09
Ravindranath GE Medical Associates Private Limited	0.01	0.08	0.01
Apollo Hospitals Enterprises Limited	-	-	1.12
Lanka Hospitals Diagnostics (Pvt) Ltd	-	2.07	1.25
Bharat Insecticides Limited	0.03	0.03	0.01
Centre for Digestive and Kidney Diseases (India) Private Limited	0.04	0.04	0.73
	<b>326.10</b>	<b>341.25</b>	<b>367.10</b>
<b>(b) Trade payable</b>			
Fortis Healthcare Limited	0.90	0.30	1.42
Agilus Diagnostics Nepal Private Limited	0.80	-	-
	<b>1.70</b>	<b>0.30</b>	<b>1.42</b>
<b>(c) Other financial liabilities</b>			
Fortis Healthcare Limited	0.87	-	1.25
Agilus Diagnostics Nepal Private Limited	-	0.55	-
	<b>0.87</b>	<b>0.55</b>	<b>1.25</b>
<b>(d) Borrowings</b>			
Medical Management Company Limited, BVI	1.32	1.22	1.17
	<b>1.32</b>	<b>1.22</b>	<b>1.17</b>
<b>(e) Loan receivable (including interest accrued)</b>			
Fortis Hospitals Limited	-	-	767.72
Escorts Heart Institute and Research Limited	-	-	193.08
Hiranandani Healthcare Private Limited	-	-	137.50
	<b>-</b>	<b>-</b>	<b>1,098.30</b>
<b>(f) Advances recoverable</b>			
Agilus Diagnostics Nepal Private Limited	-	-	0.81
Lanka Hospitals Diagnostics (Pvt) Ltd	0.40	0.40	0.40
	<b>0.40</b>	<b>0.40</b>	<b>1.21</b>
<b>(g) Advance from customers</b>			
Lanka Hospitals Diagnostics (Pvt) Ltd	0.63	-	-
Jacob Ballas Capital India Private Limited	0.02	0.02	0.02
	<b>0.65</b>	<b>0.02</b>	<b>0.02</b>
<b>(h) Expected credit loss allowance</b>			
Mena Healthcare Investment Company Limited, BVI	28.71	26.61	25.41
	<b>28.71</b>	<b>26.61</b>	<b>25.41</b>

**Note:-**

Closing balances have not been disclosed for the year ended 31 March 2023 and 31 March 2022 of DDRC Agilus Pathlabs Limited (Formerly known as DDRC SRL Diagnostics Limited) as it has become a subsidiary of Agilus Diagnostics Limited w.e.f. 05 April 2021. (Refer note 50A)

**F. Terms and conditions of transactions with related parties**

- (a) The sale to and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year end are unsecured, and interest free and settlement occurs in cash. For the year ended 31 March 2023, the group has recorded Rs. 28.71 million (31 March 2022: Rs. 26.61 million; 31 March 2021: Rs. 25.41 million) as provision towards receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial assumptions and the market in which the related parties operates.
- (b) During the year ended 31 March 2022 and 31 March 2021, the Company agreed to provide 25% discount to Fortis Healthcare Limited in management fee on account of impact of COVID-19. The total amount of discount for the year ended 31 March 2022 amounted to Rs. 12.40 million and year ended 31 March 2021 amounted to Rs. 14.85 million.

**39. Related party disclosures**

**II Disclosures prior to elimination of intra-group transactions**

**A. Related parties where control exists :**

**(i) Ultimate holding Company**

IHH Healthcare Berhad

**(ii) Enterprises having direct control over the Group/ Holding Company**

Fortis Healthcare Limited

**(iii) Subsidiary companies**

Agilus Pathlabs Private Limited (Formerly Known as SRL Diagnostics Private Limited)

Agilus Pathlabs Reach Limited (Formerly known as SRL Reach Limited)

Agilus Diagnostics FZ LLC (Formerly known as SRL Diagnostics FZ LLC)

DDRC Agilus Pathlabs Limited (Formerly known as DDRC SRL Diagnostics Limited (with effect from 05 April 2021))

**(iv) Joint venture company**

Agilus Diagnostics Nepal Private Limited (Formerly known as SRL Diagnostics (Nepal) Private Limited)

DDRC Agilus Pathlabs Limited (Formerly known as DDRC SRL Diagnostics Limited (upto 04 April 2021))

**B. Other related parties with whom transactions have taken place or balances are outstanding at year end:**

**1. Enterprises owned or controlled by Holding Company (Directly or Indirectly)**

Escorts Heart Institute & Research Centre Limited

Fortis Health Management Limited

Fortis Hospitals Limited

Fortis Malar Hospitals Limited

Hiranandani Healthcare Private Limited

Medical Management Company Limited, BVI

Mena Healthcare Investment Company Limited, BVI

International Hospital Limited

**2. Enterprises owned or controlled/ significantly influenced by ultimate holding company (Directly or Indirectly)**

Apollo Gleneagles Hospital Limited (upto 22 April 2021)

Apollo Hospitals Enterprises Limited (upto 22 April 2021)

Centre for Digestive and Kidney Diseases (India) Private Limited

Bharat Insecticides Limited

Continental Hospitals Private Limited (upto 13 December 2021)

Ravindranath GE Medical Associates Private Limited

**3. Enterprise significantly influenced by the Holding company**

Lanka Hospitals Diagnostics (Pvt) Ltd

**4. Enterprise jointly controlled by the Holding company**

Fortis C-DOC Healthcare Limited

**5. Entities having a common director**

Jacob Ballas Capital India Private Limited

Trivitron Health Care Private Limited (upto 19 May 2020)

**6. Entities where relative of subsidiary's director is interested (up to 04 April 2022)**

Doctors Diagnostic Centre Private Limited

DIAL Scans

**7. Person having joint control over the joint venture (DDRC SRL Diagnostics Limited (up to 04 April 2021))**

Ajith Joy and Elsy Joseph

**C. Key Management Personnel (KMP) - Holding Company**

Mr. Ravi Rajagopal, Independent Director

Ms. Suvalaxmi Chakraborty, Independent Director

Mr. Anand K, Chief Executive Officer

Mr. Arindam Halder, Chief Executive Officer (upto 4 August 2020)

Mr. Mangesh Shrikant Shirodkar, Chief Financial Officer

Mr. Sumit Goel, Company Secretary (upto 18 April 2022)

Mr. Murlee Manohar Jain, Company Secretary (from 20 May 2022)

**Key Management Personnel (KMP) - Subsidiary**

Ajith Joy (Up to 4 April 2022)

Elsy Joseph (Relative of KMP) (Up to 4 April 2022)

Smitha Ajith (Relative of KMP) (Up to 4 April 2022)

Asha Joseph (Relative of KMP) (Up to 4 April 2022)

**D. Details of transactions and balances of Holding Company with related parties in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018**

Reporting Entity	Nature	Transacting entity	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Agilus Diagnostics Limited	Rendering of services	Escorts Heart Institute & Research Centre Limited	175.35	166.75	133.66
Agilus Diagnostics Limited	Rendering of services	Fortis C-DOC Healthcare Limited	8.47	7.94	5.98
Agilus Diagnostics Limited	Rendering of services	Fortis Health Management Limited	21.09	18.09	13.56
Agilus Diagnostics Limited	Rendering of services	Fortis Healthcare Limited	170.85	142.07	147.91
Agilus Diagnostics Limited	Rendering of services	Fortis Hospitals Limited	1,140.58	1,051.93	884.30
Agilus Diagnostics Limited	Rendering of services	Fortis Malar Hospitals Limited	34.60	37.21	27.65
Agilus Diagnostics Limited	Rendering of services	Hiranandani Healthcare Private Limited	57.93	80.70	62.79
Agilus Diagnostics Limited	Rendering of services	Agilus Diagnostics FZ LLC	46.69	35.29	24.04
Agilus Diagnostics Limited	Rendering of services	Agilus Diagnostics Nepal Private Limited	23.43	21.42	17.64
Agilus Diagnostics Limited	Rendering of services	Agilus Pathlabs Private Limited	24.46	12.78	19.03
Agilus Diagnostics Limited	Rendering of services	Agilus Pathlabs Reach Limited	6.87	11.52	4.27
Agilus Diagnostics Limited	Rendering of services	DDRC Agilus Pathlabs Limited	27.03	14.63	10.14
Agilus Diagnostics Limited	Rendering of services	International Hospital Limited	13.50	12.16	12.00
Agilus Diagnostics Limited	Rendering of services	Apollo Gleneagles Hospital Limited	-	0.32	5.63
Agilus Diagnostics Limited	Rendering of services	Apollo Hospitals Enterprises Limited	-	0.11	4.32
Agilus Diagnostics Limited	Rendering of services	Lanka Hospitals Diagnostics (Pvt) Ltd	4.69	4.21	6.51
Agilus Diagnostics Limited	Rendering of services	Centre for Digestive and Kidney Diseases (India) Private Limited	-	10.05	1.87
Agilus Diagnostics Limited	Rendering of services	Ravindranath GE Medical Associates Private Limited	-	0.18	-
Agilus Diagnostics Limited	Rendering of services	Bharat Insecticides Limited	-	0.02	0.15
Agilus Diagnostics Limited	Rendering of services	Continental Hospitals Private Limited	-	0.14	-
Agilus Diagnostics Limited	Receiving of services - Cost of test outsourced	Fortis Hospitals Limited	4.82	6.22	4.12
Agilus Diagnostics Limited	Receiving of services - Cost of test outsourced	Fortis Healthcare Limited	0.62	0.13	0.02
Agilus Diagnostics Limited	Receiving of services - Cost of test outsourced	Fortis Health Management Limited	-	1.55	0.43
Agilus Diagnostics Limited	Receiving of services - Cost of test outsourced	Escorts Heart Institute & Research Centre Limited	0.02	0.02	0.03
Agilus Diagnostics Limited	Receiving of services - Cost of test outsourced	Agilus Pathlabs Private Limited	31.56	14.02	15.62
Agilus Diagnostics Limited	Reimbursement of expenses to	Escorts Heart Institute & Research Centre Limited	-	5.40	12.19
Agilus Diagnostics Limited	Reimbursement of expenses to	Fortis Healthcare Limited	3.85	2.37	1.92
Agilus Diagnostics Limited	Reimbursement of expenses to	Fortis Hospitals Limited	5.59	5.59	6.46
Agilus Diagnostics Limited	Reimbursement of expenses to	Hiranandani Healthcare Private Limited	1.89	7.07	6.53
Agilus Diagnostics Limited	Reimbursement of expenses to	Agilus Pathlabs Private Limited	-	-	7.72
Agilus Diagnostics Limited	Reimbursement of expenses to	Agilus Diagnostics Nepal Private Limited	1.90	1.50	0.96
Agilus Diagnostics Limited	Reimbursement of expenses to	DDRC Agilus Pathlabs Limited	3.38	3.81	1.53
Agilus Diagnostics Limited	Reimbursement of expenses from	Escorts Heart Institute & Research Centre Limited	-	1.36	1.18
Agilus Diagnostics Limited	Reimbursement of expenses from	Fortis Healthcare Limited	0.94	2.52	1.12
Agilus Diagnostics Limited	Reimbursement of expenses from	Fortis Hospitals Limited	0.01	19.39	18.44
Agilus Diagnostics Limited	Reimbursement of expenses from	Hiranandani Healthcare Private Limited	15.26	31.13	24.40
Agilus Diagnostics Limited	Reimbursement of expenses from	Fortis Malar Hospitals Limited	-	1.53	1.40
Agilus Diagnostics Limited	Reimbursement of expenses from	Agilus Diagnostics Nepal Private Limited	1.64	0.12	0.23
Agilus Diagnostics Limited	Reimbursement of expenses from	Agilus Diagnostics FZ LLC	1.42	0.40	0.36
Agilus Diagnostics Limited	Reimbursement of expenses from	Agilus Pathlabs Private Limited	-	-	0.25
Agilus Diagnostics Limited	Reimbursement of expenses from	DDRC Agilus Pathlabs Limited	-	1.32	-
Agilus Diagnostics Limited	Remuneration to key managerial personnel	Mr. Anand K, Chief Executive Officer	48.20	32.93	13.83
Agilus Diagnostics Limited	Remuneration to key managerial personnel	Mr. Mangesh Shrikant Shirodkar, Chief Financial Officer	15.37	9.53	7.83
Agilus Diagnostics Limited	Remuneration to key managerial personnel	Mr. Arindam Halder, Chief Executive Officer	-	-	24.50
Agilus Diagnostics Limited	Remuneration to key managerial personnel	Mr. Sumit Goel, Company Secretary	0.17	2.37	1.92
Agilus Diagnostics Limited	Remuneration to key managerial personnel	Mr. Murlee Manohar Jain, Company Secretary	3.68	-	-
Agilus Diagnostics Limited	Remuneration to key managerial personnel	Mr. Ravi Rajagopal	1.30	1.53	2.12
Agilus Diagnostics Limited	Remuneration to key managerial personnel	Ms. Suvalaxmi Chakraborty	1.77	1.65	2.36
Agilus Diagnostics Limited	Purchase of reagents and consumables	Fortis Hospitals Limited	2.29	1.46	1.44
Agilus Diagnostics Limited	Purchase of reagents and consumables	Fortis Health Management Limited	-	0.05	0.13
Agilus Diagnostics Limited	Purchase of reagents and consumables	Hiranandani Healthcare Private Limited	0.01	0.08	0.03
Agilus Diagnostics Limited	Purchase of reagents and consumables	DDRC Agilus Pathlabs Limited	5.71	1.20	-
Agilus Diagnostics Limited	Purchase of reagents and consumables	Agilus Pathlabs Private Limited	-	-	1.89
Agilus Diagnostics Limited	Purchase of reagents and consumables	Trivitron Health Care Private Limited	-	-	1.73
Agilus Diagnostics Limited	Sale of reagents and consumables	DDRC Agilus Pathlabs Limited	0.12	-	-
Agilus Diagnostics Limited	Purchase of property, plant and equipment	Agilus Pathlabs Private Limited	2.55	0.41	8.84
Agilus Diagnostics Limited	Purchase of property, plant and equipment	DDRC Agilus Pathlabs Limited	8.46	4.20	-
Agilus Diagnostics Limited	Sale of property, plant and equipment	Agilus Pathlabs Private Limited	2.91	0.76	2.20
Agilus Diagnostics Limited	Sale of property, plant and equipment	Agilus Pathlabs Reach Limited	0.28	0.29	-
Agilus Diagnostics Limited	Sale of property, plant and equipment	DDRC Agilus Pathlabs Limited	0.18	1.38	-
Agilus Diagnostics Limited	Sale of property, plant and equipment	Hiranandani Healthcare Private Limited	16.70	-	-
Agilus Diagnostics Limited	Loans given during the year	Agilus Pathlabs Private Limited	250.00	-	100.00
Agilus Diagnostics Limited	Loans given during the year	Agilus Diagnostics FZ LLC	-	-	29.84



**Agilus Diagnostics Limited (formerly known as SRL Limited)**  
**CIN U74899PB1995PLC045956**  
**Annexure VII - Notes to the Restated Consolidated Financial Information (Continued)**  
*(All amounts in Rupees millions, unless otherwise stated)*

Reporting Entity	Nature	Transacting entity	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Agilus Diagnostics Limited	Repayments of loans given	Agilus Pathlabs Private Limited	-	180.00	140.00
Agilus Diagnostics Limited	Repayments of loans given	Fortis Hospitals Limited	-	749.20	152.60
Agilus Diagnostics Limited	Repayments of loans given	Escorts Heart Institute & Research Centre Limited	-	188.40	38.80
Agilus Diagnostics Limited	Repayments of loans given	Hiranandani Healthcare Private Limited	-	134.10	36.90
Agilus Diagnostics Limited	Interest income	Fortis Hospitals Limited	-	7.67	86.17
Agilus Diagnostics Limited	Interest income	Escorts Heart Institute & Research Centre Limited	-	3.66	21.72
Agilus Diagnostics Limited	Interest income	Hiranandani Healthcare Private Limited	-	2.38	16.20
Agilus Diagnostics Limited	Interest income	Agilus Pathlabs Private Limited	99.77	106.60	120.47
Agilus Diagnostics Limited	Interest income	Agilus Diagnostics FZ LLC	3.13	3.13	0.91
Agilus Diagnostics Limited	Dividend income	DDRC Agilus Pathlabs Limited	186.26	-	-
Agilus Diagnostics Limited	Dividend income	Agilus Pathlabs Private Limited	186.23	390.48	-
Agilus Diagnostics Limited	Dividend paid	Fortis Healthcare Limited	214.87	-	-
Agilus Diagnostics Limited	ESOP stock option to subsidiary	Agilus Pathlabs Private Limited	-	-	0.67
Agilus Diagnostics Limited	Impairment in value of investment	Agilus Diagnostics FZ LLC	117.84	-	-
Agilus Diagnostics Limited	Impairment in value of investment	Agilus Pathlabs Reach Limited	-	-	13.79
Agilus Diagnostics Limited	Deemed investment	Agilus Pathlabs Private Limited	463.05	-	-
Agilus Diagnostics Limited	Reversal of loss allowance - Trade receivable	Agilus Diagnostics FZ LLC	19.48	-	-
Agilus Diagnostics Limited	Reversal of loss allowance - Trade receivable	Agilus Pathlabs Reach Limited	6.81	-	-
Agilus Diagnostics Limited	Trade Receivables	Escorts Heart Institute & Research Centre Limited	35.73	30.75	50.56
Agilus Diagnostics Limited	Trade Receivables	Fortis C-DOC Healthcare Limited	38.69	32.94	27.73
Agilus Diagnostics Limited	Trade Receivables	Fortis Health Management Limited	2.07	1.29	1.40
Agilus Diagnostics Limited	Trade Receivables	Fortis Healthcare Limited	45.91	50.03	31.95
Agilus Diagnostics Limited	Trade Receivables	Fortis Hospitals Limited	140.16	147.99	123.79
Agilus Diagnostics Limited	Trade Receivables	Fortis Malar Hospitals Limited	2.90	6.81	3.18
Agilus Diagnostics Limited	Trade Receivables	Hiranandani Healthcare Private Limited	4.13	28.19	79.82
Agilus Diagnostics Limited	Trade Receivables	Agilus Diagnostics FZ LLC	132.61	159.70	138.34
Agilus Diagnostics Limited	Trade Receivables	Agilus Diagnostics Nepal Private Limited	26.68	13.66	15.26
Agilus Diagnostics Limited	Trade Receivables	Agilus Pathlabs Reach Limited	16.56	29.59	26.47
Agilus Diagnostics Limited	Trade Receivables	Agilus Pathlabs Private Limited	7.77	7.07	7.50
Agilus Diagnostics Limited	Trade Receivables	DDRC Agilus Pathlabs Limited	18.56	0.74	0.76
Agilus Diagnostics Limited	Trade Receivables	International Hospital Limited	1.04	0.76	2.03
Agilus Diagnostics Limited	Trade Receivables	Apollo Gleneagles Hospital Limited	-	-	2.09
Agilus Diagnostics Limited	Trade Receivables	Ravindranath GE Medical Associates Private Limited	0.01	0.08	0.01
Agilus Diagnostics Limited	Trade Receivables	Apollo Hospitals Enterprises Limited	-	-	1.12
Agilus Diagnostics Limited	Trade Receivables	Lanka Hospitals Diagnostics (Pvt) Ltd	-	2.07	1.25
Agilus Diagnostics Limited	Trade Receivables	Bharat Insecticides Limited	0.03	0.03	0.01
Agilus Diagnostics Limited	Trade Receivables	Centre for Digestive and Kidney Diseases (India) Private Limited	0.04	0.04	0.73
Agilus Diagnostics Limited	Trade payables	Fortis Healthcare Limited	0.90	0.30	1.42
Agilus Diagnostics Limited	Trade payables	Agilus Diagnostics Nepal Private Limited	0.80	-	-
Agilus Diagnostics Limited	Trade payables	Agilus Pathlabs Private Limited	14.28	7.88	14.70
Agilus Diagnostics Limited	Other financial liabilities	Fortis Healthcare Limited	0.87	-	1.25
Agilus Diagnostics Limited	Other financial liabilities	Agilus Diagnostics Nepal Private Limited	-	0.55	-
Agilus Diagnostics Limited	Other financial liabilities	Agilus Pathlabs Private Limited	1.62	-	-
Agilus Diagnostics Limited	Other financial liabilities	DDRC Agilus Pathlabs Limited	0.36	-	-
Agilus Diagnostics Limited	Loan receivable (including interest accrued)	Agilus Pathlabs Private Limited	1,146.10	870.00	1,050.00
Agilus Diagnostics Limited	Loan receivable (including interest accrued)	Agilus Diagnostics FZ LLC	30.61	30.61	30.75
Agilus Diagnostics Limited	Loan receivable (including interest accrued)	Fortis Hospitals Limited	-	-	767.72
Agilus Diagnostics Limited	Loan receivable (including interest accrued)	Escorts Heart Institute & Research Centre Limited	-	-	193.08
Agilus Diagnostics Limited	Loan receivable (including interest accrued)	Hiranandani Healthcare Private Limited	-	-	137.50
Agilus Diagnostics Limited	Advances recoverable	Agilus Diagnostics Nepal Private Limited	-	-	0.81
Agilus Diagnostics Limited	Advances recoverable	Lanka Hospitals Diagnostics (Pvt) Ltd	0.40	0.40	0.40
Agilus Diagnostics Limited	Advances recoverable	Agilus Diagnostics FZ LLC	1.97	0.17	5.71
Agilus Diagnostics Limited	Advances recoverable	Agilus Pathlabs Reach Limited	0.18	-	-
Agilus Diagnostics Limited	Advance from customers	Lanka Hospitals Diagnostics (Pvt) Ltd	0.63	-	-
Agilus Diagnostics Limited	Advance from customers	Jacob Ballas Capital India Private Limited	0.02	0.02	0.02
Agilus Diagnostics Limited	Expected credit loss allowance - Trade Receivable	Agilus Diagnostics FZ LLC	94.82	114.30	114.30
Agilus Diagnostics Limited	Expected credit loss allowance - Trade Receivable	Agilus Pathlabs Reach Limited	-	6.81	6.81
Agilus Diagnostics Limited	Loss allowance on loan	Agilus Diagnostics FZ LLC	29.84	-	-
Agilus Diagnostics Limited	Impairment in value of investment	Agilus Pathlabs Reach Limited	80.00	80.00	80.00
Agilus Diagnostics Limited	Impairment in value of investment	Agilus Diagnostics FZ LLC	351.45	233.61	233.61

**E. Related party transactions and balances entered with related parties during the year:**

Reporting Entity	Nature	Transacting entity	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Agilus Pathlabs Private Limited	Rendering of services	Agilus Diagnostics Limited	31.56	14.02	15.62
Agilus Pathlabs Private Limited	Other income (Miscellaneous income)	DDRC Agilus Pathlabs Limited	12.60	12.60	12.60
Agilus Pathlabs Private Limited	Receiving of services	Agilus Diagnostics Limited	24.46	12.78	19.03
Agilus Pathlabs Private Limited	Reimbursement of expenses to	Agilus Diagnostics Limited	-	-	0.25
Agilus Pathlabs Private Limited	Reimbursement of expenses from	Agilus Diagnostics Limited	-	-	7.72
Agilus Pathlabs Private Limited	Sale of reagents and consumables	Agilus Diagnostics Limited	-	-	1.89
Agilus Pathlabs Private Limited	Purchase of property, plant and equipment	Agilus Diagnostics Limited	2.91	0.76	2.20
Agilus Pathlabs Private Limited	Sale of property, plant and equipment	Agilus Diagnostics Limited	2.55	0.41	8.84
Agilus Pathlabs Private Limited	Borrowings availed	Agilus Diagnostics Limited	250.00	-	100.00
Agilus Pathlabs Private Limited	Borrowings repaid	Agilus Diagnostics Limited	-	180.00	140.00
Agilus Pathlabs Private Limited	Interest Expense	Agilus Diagnostics Limited	99.77	106.60	120.47
Agilus Pathlabs Private Limited	Dividend income	DDRC Agilus Pathlabs Limited	186.26	110.45	280.00
Agilus Pathlabs Private Limited	Dividend paid	Agilus Diagnostics Limited	186.23	390.48	-
Agilus Pathlabs Private Limited	Employee stock option expense	Agilus Diagnostics Limited	-	-	0.67
Agilus Pathlabs Private Limited	Trade Receivables	Agilus Diagnostics Limited	14.28	7.88	7.66
Agilus Pathlabs Private Limited	Trade Receivables	DDRC Agilus Pathlabs Limited	1.13	1.13	-
Agilus Pathlabs Private Limited	Trade payables	Agilus Diagnostics Limited	6.15	7.07	7.50
Agilus Pathlabs Private Limited	Borrowings (including interest accrued)	Agilus Diagnostics Limited	1,146.10	870.00	1,050.00
Agilus Pathlabs Private Limited	Advances recoverable	Agilus Diagnostics Limited	-	-	7.04
Agilus Pathlabs Reach Limited	Receiving of services	Agilus Diagnostics Limited	6.87	11.52	4.27
Agilus Pathlabs Reach Limited	Reimbursement of expenses from	Agilus Diagnostics Limited	0.23	-	-
Agilus Pathlabs Reach Limited	Purchase of property, plant and equipment	Agilus Diagnostics Limited	0.28	0.29	-
Agilus Pathlabs Reach Limited	Trade payables	Agilus Diagnostics Limited	16.56	29.59	26.47
Agilus Pathlabs Reach Limited	Other financial liabilities	Agilus Diagnostics Limited	0.18	-	-
DDRC Agilus Pathlabs Limited	Rendering of services	Agilus Diagnostics Limited	-	1.25	-
DDRC Agilus Pathlabs Limited	Rendering of services	DIAL Scans	-	0.39	0.41
DDRC Agilus Pathlabs Limited	Rendering of services	Doctors Diagnostic Centre Private Limited	-	28.94	8.45
DDRC Agilus Pathlabs Limited	Receiving of services	Agilus Diagnostics Limited	27.03	14.63	10.14
DDRC Agilus Pathlabs Limited	Receiving of services - Legal & professional expenses	Agilus Pathlabs Private Limited	12.60	12.60	12.60
DDRC Agilus Pathlabs Limited	Receiving of services - Professional fees to doctors	Ajith Joy	-	32.04	-
DDRC Agilus Pathlabs Limited	Receiving of services - Professional fees to doctors	Smitha Ajith	-	4.32	4.23
DDRC Agilus Pathlabs Limited	Receiving of services - Managerial Remuneration	Ajith Joy	-	1.09	34.08
DDRC Agilus Pathlabs Limited	Receiving of services - Managerial Remuneration	Elsy Joseph	-	-	9.30
DDRC Agilus Pathlabs Limited	Receiving of services - Rent	Ajith Joy	-	10.34	9.50
DDRC Agilus Pathlabs Limited	Receiving of services - Rent	Elsy Joseph	-	0.49	0.48
DDRC Agilus Pathlabs Limited	Receiving of services - Rent	Asha Joseph	-	1.01	-
DDRC Agilus Pathlabs Limited	Reimbursement of expenses from	Agilus Diagnostics Limited	3.38	3.81	1.53
DDRC Agilus Pathlabs Limited	Purchase of reagents and consumables	Agilus Diagnostics Limited	-	1.32	-
DDRC Agilus Pathlabs Limited	Sale of reagents and consumables	Agilus Diagnostics Limited	5.28	-	-
DDRC Agilus Pathlabs Limited	Purchase of property, plant and equipment	Agilus Diagnostics Limited	0.22	1.38	-
DDRC Agilus Pathlabs Limited	Sale of property, plant and equipment	Agilus Diagnostics Limited	7.16	4.20	-
DDRC Agilus Pathlabs Limited	Dividend paid	Agilus Diagnostics Limited	186.26	-	-
DDRC Agilus Pathlabs Limited	Dividend paid	Agilus Pathlabs Private Limited	186.26	110.45	-
DDRC Agilus Pathlabs Limited	Dividend paid	Ajith Joy	-	52.47	-
DDRC Agilus Pathlabs Limited	Dividend paid	Elsy Joseph	-	57.99	-
DDRC Agilus Pathlabs Limited	Trade payables	Agilus Diagnostics Limited	18.59	0.74	0.76
DDRC Agilus Pathlabs Limited	Trade payables	Agilus Pathlabs Private Limited	1.13	1.13	-
DDRC Agilus Pathlabs Limited	Trade payables	Ajith Joy	-	0.57	-
DDRC Agilus Pathlabs Limited	Trade Receivables	Doctors Diagnostic Centre Private Limited	-	0.61	-
DDRC Agilus Pathlabs Limited	Trade Receivables	DIAL Scans	-	0.03	-
Agilus Diagnostics FZ LLC	Receiving of services	Agilus Diagnostics Limited	46.69	35.29	24.04
Agilus Diagnostics FZ LLC	Reimbursement of expenses to	Agilus Diagnostics Limited	1.42	0.40	0.36
Agilus Diagnostics FZ LLC	Interest Expense	Agilus Diagnostics Limited	3.13	3.13	0.91
Agilus Diagnostics FZ LLC	Loan received during the year	Agilus Diagnostics Limited	-	-	29.84
Agilus Diagnostics FZ LLC	Trade Receivables	Mena Healthcare Investment Company Limited, BVI	28.71	26.61	25.41
Agilus Diagnostics FZ LLC	Trade payables	Agilus Diagnostics Limited	132.61	159.70	138.34
Agilus Diagnostics FZ LLC	Borrowings (including interest accrued)	Agilus Diagnostics Limited	30.61	30.61	30.75
Agilus Diagnostics FZ LLC	Borrowings (including interest accrued)	Medical Management Company Limited, BVI	1.32	1.22	1.17
Agilus Diagnostics FZ LLC	Advances Payable	Agilus Diagnostics Limited	1.97	0.17	5.71
Agilus Diagnostics FZ LLC	Expected credit loss allowance	Mena Healthcare Investment Company Limited, BVI	28.71	26.61	25.41
Agilus Diagnostics Limited	Loss allowance on loan to subsidiary	Agilus Diagnostics FZ LLC	29.84	-	-

**40. Leases**

**As lessee**

**Operating Leases**

The Group has obtained lab premises, office premises, godowns, machinery and guest houses on operating lease arrangements. The lease terms varies from 11 months to 15 years, renewable at the option of the Group. There are no restrictions imposed by the lease arrangements.

**(i) Right-of-use assets**

**(a) Land & Building**

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>Balance at the beginning of the year</b>	825.70	543.18	624.36
Acquisitions (refer note 50A, 50B and 50C)	17.10	59.73	-
Additions to right of use assets	509.12	485.35	171.60
Depreciation charge for the year	(283.98)	(260.31)	(206.92)
Derecognition of right of use assets	(82.41)	(3.38)	(44.86)
Exchange translation adjustments	2.12	1.13	(1.00)
<b>Balance at the end of the year</b>	<b>987.65</b>	<b>825.70</b>	<b>543.18</b>

**(b) Plant & Machinery**

<b>Balance at the beginning of the year</b>	39.68	-	-
Additions to right of use assets	-	42.16	-
Depreciation charge for the year	(8.68)	(2.48)	-
<b>Balance at the end of the year</b>	<b>31.00</b>	<b>39.68</b>	<b>-</b>

<b>Total</b>	<b>1,018.65</b>	<b>865.38</b>	<b>543.18</b>
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**(ii) Lease liabilities**

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>Maturity analysis - contractual undiscounted cash flows</b>			
Less than one year	329.22	312.34	210.86
One to five years	766.43	690.01	410.60
More than five years	223.67	101.65	33.97
<b>Total undiscounted lease liabilities</b>	<b>1,319.32</b>	<b>1,104.00</b>	<b>655.43</b>

<b>Lease liabilities</b>			
Current	252.96	243.61	172.67
Non-current	812.86	667.07	397.06
<b>Total</b>	<b>1,065.82</b>	<b>910.68</b>	<b>569.73</b>

**(iii) Amounts recognised in profit or loss**

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>(Income)/Expenses arising from leases:</b>			
Interest on lease liabilities	88.64	80.02	63.03
Expenses relating to short-term leases (including GST)	305.92	279.35	145.22
Income from sub-leasing right-of-use assets presented in other income	-	-	(2.63)

**(iv) Amounts recognised in statement of cash flows**

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Total cash outflow for lease liabilities (includes interest of Rs. 88.64 million (31 March 2022: Rs. 80.02 million ; 31 March 2021: Rs. 63.03 million)	344.93	305.77	248.18

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
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**As Lessor**

**Operating lease**

Rental income from premises subleased recognised in the Statement of Profit and Loss	-	-	2.63
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**41. Commitments**

	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Commitments for the acquisition of property, plant and equipment	70.07	171.74	47.14
Lease commitments (refer Note 2 below)	217.56	-	-

**Note:**

1. The Group has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase / sale of services, employee's benefits. The Group does not have any long term commitments or material non-cancellable contractual commitments/ contracts.

2. The Group has lease contracts that have been committed but not yet commenced as at 31 March 2023. The future lease payments for these non-cancellable lease contracts amounting to Rs. 217.56 million is payable within next seven years.

**42. Contingent liabilities :**

**Claims against the Group, disputed by the Group, not acknowledged as debt:**

<b>(a) Particulars</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31 March 2023</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Income tax	2,712.63	2,620.84	2,535.43
Medical related	560.82	534.11	524.45
Service tax	96.59	96.59	8.14
Others	41.75	17.26	0.50
Customs	-	0.14	-
<b>Total</b>	<b>3,411.79</b>	<b>3,268.94</b>	<b>3,068.52</b>

**(b)** Further, refer claims assessed as contingent liability described in Note 56, 57 and 58

**(c)** The Group has received a claim of Rs. 93.50 million from an ex-employee alleging certain dues payable by the Group to him in respect to his variable pay, provident fund and ESOPs. The ex-employee has also filed a similar claim of Rs. 192.30 million on the Parent Company (Fortis Healthcare Limited). Subsequently, the claimant has filed a petition with National Company Law Tribunal (NCLT) and revised his claim amount to Rs. 363.78 million. The Group has filed the response to the petition on merits submitting that the Petition is not maintainable either under facts or law. The matter is currently pending with National Company Law Tribunal.

**(d)** On 28 February 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers (the "India Defined Contribution Obligation") altered historical understandings of such obligations, extending them to cover additional portions of the employee's income to measure obligations under employees Provident Fund Act, 1952. There are numerous interpretative issues relating to this judgement as to how the liability should be calculated, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. As such, the Group has been legally advised not to consider that there is any probable obligations for periods prior to date of aforesaid judgment.

**(e)** Further, refer Note no. 53 for contingent liabilities related to joint venture.

Additionally, the Group is involved in other disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business.

The Group believes that none of the above matters either individually or in aggregate, are expected to have material adverse effect on its financial statements. The cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various stages/forums.

**43. Employee benefits plans**

**(i) Defined contribution plans**

The Group makes contribution towards employees' provident fund, employees' state insurance plan scheme and labour welfare fund on behalf of the employees. Under the schemes, the Group is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme. The Group has recognised the following amounts during the year as expense towards contribution to these plans.

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Provident fund	160.86	146.51	115.55
Employees' state insurance scheme	19.86	19.62	13.92
Labour welfare fund	1.02	0.34	0.06
<b>Total</b>	<b>181.74</b>	<b>166.47</b>	<b>129.53</b>

**(ii) Defined benefit plans**

**Gratuity**

The Group has a defined benefit gratuity plan, wherein every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum limit of Rs. 2 million in terms of the provisions of Gratuity Act, 1972. The gratuity plan is unfunded for Agilus Diagnostics Limited and its subsidiaries except Agilus Pathlabs Private Limited (Formerly known as SRL Diagnostics Private Limited). Accordingly, the disclosure below relates to plan assets of Agilus Pathlabs Private Limited.

These plans typically exposed the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

**Investment risk**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**Interest risk**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt instruments.

**Longevity risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial assumptions were as follows:

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Discount rate	7.30% - 7.40% p.a.	6.10% - 7.10% p.a.	5.65% p.a.
Expected rate of salary increase	6.00% - 6.50% p.a.	5.00% - 6.50% p.a.	6.50% p.a.
Mortality rate	Indian Assured Lives 2012-14 Ultimate	Indian Assured Lives 2012-14 Ultimate	Indian Assured Lives 2012-14 Ultimate
Employee turnover (attrition rate)			
Upto 30 years	22.00% - 30.07% p.a.	22.00% - 30.07% p.a.	22.00% - 27.00% p.a.
31-45 years	7.70% - 20.00% p.a.	7.70% - 20.00% p.a.	18.00% - 20.00% p.a.
45 years and above	1.18% - 12.00% p.a.	1.18% - 16.00% p.a.	13.00% - 16.00% p.a.

The following tables summarise the components of net benefit expense recognised in the Restated Consolidated Statement of Profit and Loss and the amounts recognised in the Restated Consolidated Statement of assets and liabilities for the gratuity plan.

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
<b>Net employee benefits expense</b>			
Current service cost	41.96	39.01	34.60
Total gratuity expenses included in employee benefit expenses (note 33)	<b>41.96</b>	<b>39.01</b>	<b>34.60</b>
Interest cost on benefit obligation included in finance cost	16.54	14.81	9.69
<b>Recognised in Restated Consolidated statement of profit and loss</b>	<b>58.50</b>	<b>53.82</b>	<b>44.29</b>
<b>Remeasurements on the net defined benefit liability :</b>			
- Actuarial losses arising from changes in demographic assumptions	-	4.23	-
- Actuarial (gain) arising from changes in financial assumptions	(16.50)	(8.06)	(1.15)
- Actuarial (gain)/ losses arising from experience adjustments	6.80	(4.75)	2.30
- Return on plan assets (excluding amounts included in net interest expense)	-	(0.54)	(0.74)
<b>Recognised in other comprehensive income</b>	<b>(9.70)</b>	<b>(9.12)</b>	<b>0.41</b>
<b>Total</b>	<b>48.80</b>	<b>44.70</b>	<b>44.70</b>

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' and 'Finance costs' line item respectively in the Restated Consolidated Statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the Restated Consolidated Statement of assets and liabilities arising from the Group's obligation in respect of its defined benefit plans is as follows:

	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Defined benefit obligation			
- As per actuarial valuation for Holding company and Indian subsidiaries	311.39	295.06	228.33
Less: Fair value of plan assets	(44.90)	(35.46)	(33.76)
	<b>266.49</b>	<b>259.60</b>	<b>194.57</b>
Employee related provisions of Agilus Diagnostics FZ LLC (Formerly known as SRL Diagnostics FZ LLC)#	5.17	10.99	17.37
<b>Net defined benefit liability</b>	<b>271.66</b>	<b>270.59</b>	<b>211.94</b>

# Obligation has been estimated by the Management basis the contractual liabilities as per laws applicable in United Arab Emirates

**Classification of net defined benefit liability as per actuarial valuation**

Net defined benefit liability (Non- current)	231.25	233.89	183.13
Net defined benefit liability (current)	40.41	36.69	28.82
	<b>271.66</b>	<b>270.58</b>	<b>211.95</b>

**Movement in the present value of the defined benefit obligation is as follows:**

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Opening defined benefit obligation (excluding liability of foreign subsidiary)	295.06	228.33	207.02
Acquisition of subsidiary (refer note 50A)	-	56.32	-
Current service cost	40.79	37.29	29.93
Interest expenses	18.77	16.72	11.48
Remeasurement losses:			
- Actuarial losses arising from changes in demographic assumptions	-	4.23	-
- Actuarial losses/(gains) arising from changes in financial assumptions	(16.50)	(8.06)	(1.15)
- Actuarial (gains)/ losses arising from experience adjustments	6.80	(4.75)	2.30
Benefit payments			
- Benefit payments from plan	(0.83)	(3.55)	(1.41)
- Benefit payments from employer	(32.70)	(31.47)	(20.00)
Transfer In	-	-	0.16
<b>Closing defined benefit obligation (excluding liability of foreign subsidiary)</b>	<b>311.39</b>	<b>295.06</b>	<b>228.33</b>
Add: Closing liability of foreign subsidiary	5.17	10.99	17.37
<b>Closing defined benefit obligation</b>	<b>316.56</b>	<b>306.05</b>	<b>245.70</b>

**Changes in the present value of the plan asset are as follows:**

Opening fair value of plan assets	35.46	33.76	32.28
Interest income	2.23	1.91	1.79
Remeasurement gain/ (losses):			
- Return on plan assets (excluding interest income)	-	0.54	0.74
Contributions from the employer			
- Contributions from the employer	8.03	2.80	0.36
- Direct benefit payments from employer	3.24	2.32	3.60
Benefit payments from plan assets	(0.83)	(3.55)	(1.41)
Benefit payments from employer	(3.23)	(2.31)	(3.61)
<b>Closing fair value of plan assets</b>	<b>44.90</b>	<b>35.47</b>	<b>33.75</b>

Each year, the management of Agilus Pathlabs Private Limited (Formerly known as SRL Diagnostics Private Limited) reviews the level of funding in the gratuity plan. Such a review includes asset-liability matching strategy.

The plan assets of the subsidiary company, Agilus Pathlabs Private Limited as on the Balance sheet date are fully invested in Insurer Managed Funds. The details of investments maintained by LIC are not available and therefore have not been disclosed.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and attrition rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
If the discount rate increases by 1%	294.31	277.33	217.44
If the discount rate decreases by 1%	330.49	315.12	240.30
If the expected salary growth increases by 1%	329.99	314.67	239.89
If the expected salary growth decreases by 1%	294.38	277.35	217.57
If attrition rate increases by 1%	312.44	295.48	227.37
If attrition rate decreases by 1%	311.24	295.74	229.34

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The weighted average duration of the defined benefit obligation as at 31 March 2023 is 5-8 years (31 March 2022: 5-10 years ;31 March 2021: 5 years).

The defined benefit plans shall mature after year end is as follows:

<b>Expected total benefits payments</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Year 1	55.09	41.26	45.11
Year 2	46.36	35.93	35.52
Year 3	40.59	29.49	33.48
Year 4	37.51	27.51	28.10
Year 5	36.51	24.95	24.43
Next 5 years	134.91	91.78	83.70

The estimates of future salary increases, considered in actuarial valuation, take into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Experience adjustments**

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Experience adjustment on plan liabilities - (gain)/loss	6.80	(4.75)	2.30

**44. Corporate social responsibility**

As per section 135 of the Companies Act, 2013 and the rules therein, the Group is required to spend at least 2% of the average net profit of past three years towards Corporate Social Responsibility (CSR). Details of the CSR expenses, as certified by Management, are as follows:

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
(i) Amount required to be spent by the Group during the year,	51.27	40.86	29.55
(ii) Amount approved by the Board to be spent during the year,	51.27	40.86	29.55
(iii) Amount of expenditure incurred,	51.27	40.86	29.55
(iv) Shortfall at the end of the year,	-	-	-
(v) Total of previous years shortfall,	-	-	-
(vi) Reason for shortfall,	-	-	-
(vii) Nature of CSR activities,	Contributed to IIT Madras engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).	Contributed to PM CARES Fund for combating, and containment and relief efforts against the coronavirus outbreak	Contributed to ICMR Fund to support research and development projects in the field of science, technology, engineering and medicine.
(viii) details of related party transactions,e.g, contribution to a trust controlled by the Group in relation to CSR expenditure as per relevant accounting standard,	-	-	-
(ix) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-	-

**45. Financial Instruments**

**45A. Capital Management**

The Group manages its capital to ensure that Group will be able to continue as going concern. The Group's audit committee reviews the capital structure of the Group on periodic basis. As part of this review, the audit committee considers the cost of capital and the risks associated with each class of capital. The Capital structure of the Group consists of net debt (borrowings as detailed in notes and offset by cash and bank balances) and total equity of the Group. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Group is not subject to any externally imposed capital requirements.

The Gearing ratio at end of reporting period was as follows:-

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Debt (i)	28.29	22.51	12.53
Cash and cash equivalent (note 15)	(1,137.44)	(1,035.78)	(2,266.16)
Bank balances other than cash & cash equivalent (note 16)	(2,099.42)	(2,586.44)	(1,336.43)
<b>Net Debt (A)</b>	<b>(3,208.57)</b>	<b>(3,599.71)</b>	<b>(3,590.06)</b>
<b>Total equity (B)</b>	19,455.77	18,661.54	13,113.82
<b>Net debt to equity ratio (A/B)</b>	Nil	Nil	Nil

(i) Debt is defined as long-term and short-term borrowings as described in Note 21 and 24

**45B. Fair value measurement**

	Notes	Carrying value		
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
<b>Financial assets</b>				
<b>Not Measured at fair value</b>				
Loans - non current*	(b)	8.19	2.09	1.31
Other financial assets - non current	(b)	257.59	245.03	98.80
Trade Receivables	(a)	1,431.49	1,495.46	1,442.12
Cash and cash equivalents	(a)	1,137.44	1,035.78	2,266.16
Bank balances other than above	(a)	2,099.42	2,586.44	1,336.43
Loans - current*	(a)	2.20	1.87	1,098.30
Other financial assets - current	(a)	167.44	113.52	47.25
<b>Total</b>		<b>5,103.77</b>	<b>5,480.19</b>	<b>6,290.37</b>
<b>Financial liabilities</b>				
<b>Measured at fair value</b>				
Contingent purchase consideration	(d)	54.55	-	-
<b>Not Measured at fair value</b>				
Borrowings : Non-current**	(b)	18.96	16.12	9.70
Lease Liabilities - non current	(c)	812.86	667.07	397.06
Other financial liabilities : Non-current	(b)	192.58	32.15	58.68
Lease Liabilities - current	(c)	252.96	243.61	172.67
Borrowings : current**	(a)	9.33	6.39	2.83
Trade payables	(a)	1,394.72	1,293.14	1,164.09
Other financial liabilities - current	(a)	641.31	551.30	385.10
<b>Total</b>		<b>3,377.27</b>	<b>2,809.78</b>	<b>2,190.13</b>

\* Loans include interest free loans given to employees.

\*\*Borrowings primarily include interest bearing loans taken at market rate of interest from Banks and Financial Institutions.

**The following methods / assumptions were used to estimate the fair values:**

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these
- Fair valuation of non-current financial assets and liabilities have been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value. The fair valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.
- Fair value measurement of lease liabilities is not required to be disclosed.
- Contingent consideration is payable on achievement of pre-determined business targets. Management has estimated that the target will be achieved basis which the agreed purchase consideration has been considered as the fair value.

There are no transfer between Level 1, Level 2 and Level 3 during the Year.

**45C. Financial risk management objectives and Policies**

The Group's financial assets include trade receivables, cash and bank balances, loans and other financial assets that are derived from its operations. The Group's principal financial liabilities comprise trade payables, other liabilities, borrowings and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operation. The Group has exposure to the following risk arising from financial instruments.

- Credit risk
- Market risk
- Liquidity risk

The Group's board of directors manages the financial risk of the Group through internal risk report which analyse exposure by magnitude of risk.



**(a) Credit risk**

**(i) Trade receivable**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Group holds certain amounts as collateral in form of security deposits against certain class of receivables (primarily includes receivable from collection center).

The Group exposure to credit risk is influenced mainly by the individual characteristics of each customer. Also, management considers the factors that may influence the credit risk of its customer base, including the default risk associated with the individual characteristics of the customers.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require an exception approval as per Group policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are a direct client, collection centre, franchisee, government agency, history of business with the Group and existence of previous financial difficulties.

Refer note 14 for a summary of Group's most significant customers and details on impairment losses on financial assets recognised in the profit or loss.

**(ii) Current Investments**

The Group limits its exposure to credit risk by generally investing in liquid securities. Further, defined limits are in place for exposure to individual counterparties in case of mutual fund schemes.

**(iii) Loans and Other financial assets**

Loans and other financial assets mainly consists of loan to employees, security deposits, advances recoverable (employee advances) and bank deposits. Bank deposits are held with banks with good credit ratings and the Group does not expect any losses. The security deposit pertains to rent deposit given to lessors. The Group does not expect any losses from the non performance of these counterparties, hence no provision has been considered on balances other than those mentioned below.

The movement in the provision recognised against the above assets which are credit impaired as at the year-end is as follows:

Particulars	Amount
<b>As at 31 March 2020</b>	<b>68.14</b>
Written off during the year	(0.90)
Provision created	6.72
<b>As at 31 March 2021</b>	<b>73.96</b>
Provision created	1.60
<b>As at 31 March 2022</b>	<b>75.56</b>
Written off during the year	(19.22)
Provision created	1.36
<b>As at 31 March 2023</b>	<b>57.70</b>

The Group's maximum exposure to credit risk for each of the above categories of financial assets is the carrying values at the reporting date.

**(b) Market risk**

Market risk is the risk of loss of future earnings, risk of loss due to change in interest rates, fair values or future cash flows that may result from a change in the price of financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, and other market changes that affect market risk sensitive instruments.

Market risk includes:

- (i) Foreign currency risk
- (ii) Interest
- (iii) Other price risk

**(i) Foreign currency risk**

The Group has limited exposure from foreign currency risk due to limited international operations. The Group has not taken any derivative contracts to hedge the exposure. Exchange rate exposures are managed within approved policy parameters.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows:

	Currency	As at 31 March 2023			As at 31 March 2022			As at 31 March 2021		
		(Rupees in million)	Conversion rate	Amount in foreign currency (in million)	(Rupees in million)	Conversion rate	Amount in foreign currency (in million)	(Rupees in million)	Conversion rate	Amount in foreign currency (in million)
Trade receivables	USD	77.11	82.15	0.94	68.11	75.51	0.90	60.55	73.24	0.83
Cash balances	AED*	-	-	-	0.01	20.55	0.00	0.11	19.94	0.01
	SGD*	0.02	61.83	0.00	0.02	55.78	0.00	0.02	54.33	0.00
	USD*	0.09	82.15	0.00	0.15	75.51	0.00	0.14	73.24	0.00

\* Amount not presented due to rounding off.

**Foreign currency sensitivity**

The following table details the Group's sensitivity to a 10% increase and decrease in the Rupees against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and equity where the Rupee strengthens 10% against the relevant currency. For a 10% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit & equity and the balances below would be negative.

Currency	2022-23		2021-22		2020-21	
	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease
<b>Trade Receivable</b>						
USD	7.71	(7.71)	6.81	(6.81)	6.06	(6.06)
<b>Impact on profit/(loss) for the year</b>	<b>7.71</b>	<b>(7.71)</b>	<b>6.81</b>	<b>(6.81)</b>	<b>6.06</b>	<b>(6.06)</b>
Less: Tax impact	(1.94)	1.94	(1.71)	1.71	1.53	1.53
<b>Impact on total equity</b>	<b>5.77</b>	<b>(5.77)</b>	<b>5.10</b>	<b>(5.10)</b>	<b>4.53</b>	<b>(4.53)</b>

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

**(ii) Interest rate risk**

The Group is not exposed to interest rate risk because the Group has borrowed funds at fixed interest rates.

**(iii) Other price risk**

The Group's investments are in joint venture company and are held for strategic purposes rather than for trading purposes.

**(c) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash. The Group's ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. Note given below sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

The Group's principal sources of liquidity are cash and cash equivalent and cash flow that is generated from operations. In addition, the Group has funding facilities disclosed below (secured against first pari passu charge on current assets, thereafter second pari passu charge over all moveable property, plant and equipment) which can be drawn to meet short term financial needs.

**Financial arrangement:**

The Group has access to the following undrawn borrowing facilities at the end of the reporting period.

	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Sanctioned limit	Limit utilised	Sanctioned limit	Limit utilised	Sanctioned limit	Limit utilised
<b>Agilus Diagnostics Limited</b>						
Cash credit facility	511.65	-	519.40	-	20.00	-
Letter of credit	7.50	-	7.50	-	7.50	-
Bank guarantee	33.85	14.46	33.00	7.35	45.00	13.33
	<b>553.00</b>	<b>14.46</b>	<b>559.90</b>	<b>7.35</b>	<b>72.50</b>	<b>13.33</b>

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Particulars	Contractual cash flows			
	0-1 year	Beyond 1 year	Total Amount	Carrying Amount
<b>31 March 2023</b>				
<b>Non Interest bearing instruments</b>				
Borrowings	-	1.32	1.32	1.32
Lease liabilities - non current	-	990.10	990.10	812.86
Payable on purchase of plant and equipment - non-current	-	212.41	212.41	192.58
Lease liabilities - current	329.22	-	329.22	252.96
Trade payables	1,394.72	-	1,394.72	1,394.72
Deposit from customers	166.34	-	166.34	166.34
Employee benefits payable	176.12	-	176.12	176.12
Payable on purchase of plant and equipment - current	272.15	-	272.15	262.20
Deferred/Contingent purchase consideration	82.68	-	82.68	82.68
Liability against indemnification	7.47	-	7.47	7.47
Payable to related parties	0.87	-	0.87	0.87
<b>Fixed interest bearing instruments</b>				
Borrowings (including interest accrued)	11.16	19.25	30.41	27.15
	<b>2,440.73</b>	<b>1,223.08</b>	<b>3,663.81</b>	<b>3,377.27</b>
<b>31 March 2022</b>				
<b>Non Interest bearing instruments</b>				
Borrowings	-	1.22	1.22	1.22
Lease liabilities - non current	-	791.66	791.66	667.07
Payable on purchase of plant and equipment - non-current	-	32.15	32.15	32.15
Lease liabilities - current	312.34	-	312.34	243.61
Trade payables	1,293.14	-	1,293.14	1,293.14
Deposit from customers	186.06	-	186.06	186.06
Employee benefits payable	178.45	-	178.45	178.45
Payable on purchase of plant and equipment - current	53.76	-	53.76	53.76
Deferred purchase consideration	125.00	-	125.00	124.90
Liability against indemnification	7.47	-	7.47	7.47
Payable to related parties	0.55	-	0.55	0.55
<b>Fixed interest bearing instruments</b>				
Borrowings (including interest accrued)	7.52	15.87	23.39	21.40
	<b>2,164.29</b>	<b>840.90</b>	<b>3,005.19</b>	<b>2,809.78</b>
<b>31 March 2021</b>				
<b>Non Interest bearing instruments</b>				
Borrowings	-	1.17	1.17	1.17
Lease liabilities - non current	-	444.57	444.57	397.06
Payable on purchase of plant and equipment - non-current	-	58.68	58.68	58.68
Lease liabilities - current	210.86	-	210.86	172.67
Trade payables	1,164.09	-	1,164.09	1,164.09
Deposit from customers	11.74	-	11.74	11.74
Employee benefits payable	148.65	-	148.65	148.65
Payable on purchase of plant and equipment - current	47.17	-	47.17	47.17
Liability against indemnification	7.47	-	7.47	7.47
Payable to related parties	1.25	-	1.25	1.25
<b>Fixed interest bearing instruments</b>				
Deposit from customers	173.18	-	173.18	168.75
Borrowings	3.65	9.69	13.35	11.43
	<b>1,768.06</b>	<b>514.11</b>	<b>2,282.18</b>	<b>2,190.13</b>

The Group expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

**46. Employee Stock Option Plans**

Agilus Diagnostics Limited ("Agilus Diagnostics") has provided share-based payment scheme to the eligible employees and its then directors, its subsidiary - Agilus Pathlabs Private Limited (Formerly known as SRL Diagnostics Private Limited), Fortis Healthcare Limited (Parent Company) and RHC Holding Private Limited. The shareholders of Agilus Diagnostics Limited granted approval to 'Super Religare Laboratories Limited Employee Stock Option Plan 2009' and 'SRL Limited Employee Stock Option Scheme 2013'. Agilus Diagnostics Limited has granted these options under Equity Settlement method and there are no conditions for vesting other than continued employment with the respective company. Details of these schemes are as follows :

**As at 31 March 2023**

Scheme	ESOP 2009			ESOP 2013				
	Date of Board Approval Date of Shareholder's approval Method of Settlement (Cash/Equity)	22 August 2009 17 August 2009 Equity		23 August 2013 20 September 2013 Equity				
		<b>Grant I*</b>	<b>Grant II</b>	<b>Grant III</b>	<b>Grant IV</b>	<b>Grant V</b>	<b>Grant VI</b>	<b>Grant VII</b>
Date of grant	22 August 2009	30 September 2013	2 November 2015	8 November 2016	22 March 2017	6 May 2017	2 Aug 2017	
Number of options granted	1,517,470	200,000	995,937	75,000	125,000	25,000	25,000	
Number of options cancelled	849,545	134,000	724,437	75,000	125,000	25,000	25,000	
Number of options exercised	154,716	66,000	-	-	-	-	-	-
Number of options not yet vested	-	-	-	-	-	-	-	-
Number of options not yet exercised	513,209	-	271,500	-	-	-	-	-
Vesting Period	22 August 2009 to 21 August 2012	30 September 2016 to 30 September 2018	2 November 2018 to 1 November 2020	7 November 2019 to 7 November 2021	22 March 2020 to 22 March 2022	26 May 2020 to 26 May 2022	02 August 2020 to 02 August 2022	
Grant value (Rs.)		40	201	428	674	674	674	674

**As at 31 March 2022**

Scheme	ESOP 2009			ESOP 2013				
	Date of Board Approval Date of Shareholder's approval Method of Settlement (Cash/Equity)	22 August 2009 17 August 2009 Equity		23 August 2013 20 September 2013 Equity				
		<b>Grant I*</b>	<b>Grant II</b>	<b>Grant III</b>	<b>Grant IV</b>	<b>Grant V</b>	<b>Grant VI</b>	<b>Grant VII</b>
Date of grant	22 August 2009	30 September 2013	2 November 2015	8 November 2016	22 March 2017	6 May 2017	2 Aug 2017	
Number of options granted	1,517,470	200,000	995,937	75,000	125,000	25,000	25,000	
Number of options cancelled	849,545	134,000	724,437	75,000	125,000	25,000	25,000	
Number of options exercised	154,716	66,000	-	-	-	-	-	-
Number of options not yet vested	-	-	-	-	-	-	-	-
Number of options not yet exercised	513,209	-	271,500	-	-	-	-	-
Vesting Period	22 August 2009 to 21 August 2012	30 September 2016 to 30 September 2018	2 November 2018 to 1 November 2020	7 November 2019 to 7 November 2021	22 March 2020 to 22 March 2022	26 May 2020 to 26 May 2022	02 August 2020 to 02 August 2022	
Grant value (Rs.)		40	201	428	674	674	674	674

**As at 31 March 2021**

Scheme	ESOP 2009			ESOP 2013				
	Date of Board Approval Date of Shareholder's approval Method of Settlement (Cash/Equity)	22 August 2009 17 August 2009 Equity		23 August 2013 20 September 2013 Equity				
		<b>Grant I*</b>	<b>Grant II</b>	<b>Grant III</b>	<b>Grant IV</b>	<b>Grant V</b>	<b>Grant VI</b>	<b>Grant VII</b>
Date of grant	22 August 2009	30 September 2013	2 November 2015	8 November 2016	22 March 2017	6 May 2017	2 Aug 2017	
Number of options granted	1,517,470	200,000	995,937	75,000	125,000	25,000	25,000	
Number of options cancelled	875,736	134,000	724,437	75,000	125,000	25,000	-	
Number of options exercised	154,716	66,000	-	-	-	-	-	-
Number of options not yet vested	-	-	-	-	-	-	-	16,667
Number of options not yet exercised	487,018	-	271,500	-	-	-	-	8,333
Vesting Period	22 August 2009 to 21 August 2012	30 September 2016 to 30 September 2018	2 November 2018 to 1 November 2020	7 November 2019 to 7 November 2021	22 March 2020 to 22 March 2022	26 May 2020 to 26 May 2022	02 August 2020 to 02 August 2022	
Grant value (Rs.)		40	201	428	674	674	674	674

The details of activity under the Plan have been summarized below:

	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Number of Options	Weighted Average exercise price	Number of Options	Weighted Average exercise price	Number of Options	Weighted Average exercise price
Outstanding at the beginning of the year	784,709	174.24	783,518	194.68	1,031,378	292.11
Granted during the year	-	-	-	-	-	-
Vested during the year	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-
Forfeited/ Cancelled during the year	-	-	25,000	674.00	247,860	600.11
Reinstated during the year	-	-	26,191	40.00	-	-
Outstanding at the end of the year	784,709	174.24	784,709	174.24	783,518	194.68
Exercisable option at the end of the year	784,709	174.24	784,709	174.24	766,851	40.00
Weighted average remaining life (years)**	-	-	-	-	-	-
Range of exercise price	40-428		40-428		40-674	

\*\* The Company has extended the exercise period of all outstanding options (Grant I and Grant III) till a future event occurs (i.e. exit of existing private equity investors or any other listing event). Further, employees due to retire or getting superannuated prospectively will also be entitled to exercise the options before the future event. As there is no fixed time limit for future event, weighted average remaining life of such options has not been disclosed.

There are no options granted in current year. Black-Scholes Option Pricing Model has been used for computing the weighted average fair value considering the following inputs:

Particulars	Grant II	Grant III	Grant IV- V	Grant VI- VII
Vesting Schedule	100%	100%	100%	100%
Stock Price (S)	201	428	674	674
Exercise Price (X)	201	428	674	674
Volatility (s)	17.41%	15.54%	15.54%	16.19%
Risk-free Rate	8.70%	7.63%	7.63%	6.95%
Expected Option Life (T)	5yrs	5yrs	5yrs	5yrs
Dividend Yield	1.00%	0.47%	0.47%	0.47%
<b>Option Value</b>	<b>66.32</b>	<b>135.30</b>	<b>213.00</b>	<b>202.61</b>
Exit/Attrition Rate	16.50%	16.50%	16.50%	16.50%
<b>Modified Option Value</b>	<b>55.38</b>	<b>112.98</b>	<b>177.86</b>	<b>169.18</b>

**Note:-**

i) The (income)/expenses arising from share-based payment transaction recognised in profit or loss as part of employee benefit expense for the year ended 31 March 2023, 31 March 2022 and 31 March 2021 were Rs. Nil, Rs. Nil and Rs. (9.43) million respectively.

ii) \*On the date of transition to Ind AS (i.e. 1 April 2015), the Company had opted for optional exemption available under Ind AS 101 'First time adoption' and not recorded any stock option outstanding account for the options fully vested (ESOP Scheme 2009) as at transition date.

ii) In respect to Nil (31 March 2022: 25,000; 31 March 2021: 247,860) options forfeited during the current year, amount aggregating Rs. Nil (31 March 2022: Rs. 3.10 million ; 31 March 2021: 11.71 million) has been transferred to general reserve.

**47. Operating segments**

**(a) Basis for segmentation**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that related to transaction with any of the Group's other components, and for which discrete financial information is available.

The Group is engaged in the business of maintaining and managing clinical reference laboratories, to provide testing and diagnostics on human beings, in the field of both pathology and radiology. As the Group's business activity primarily falls within a single operating segment i.e. pathology and radiology services, there are no disclosures required to be provided in terms of Ind AS 108 on 'Operating Segments'.

**(b) Geographical information**

The geographical information analyses the Group's revenue and non-current assets by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been presented based on the geographical location of customers and segment assets which have been presented based on the geographical location of the assets.

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
<b>(i) Revenues</b>			
India (a)	13,019.62	15,384.13	10,001.96
<u>Other countries</u>			
United Arab Emirates	144.14	378.03	154.68
Kenya	42.17	30.53	16.92
Maldives	99.09	58.77	12.89
Nigeria	4.48	3.08	9.93
Sri Lanka	6.00	7.60	7.09
Ethiopia	4.68	8.12	4.80
Others	3.37	5.44	3.52
Total other countries (b)	303.93	491.57	209.83
<b>Total (a+b)</b> (Revenue excludes other operating income and other income)	<b>13,323.55</b>	<b>15,875.70</b>	<b>10,211.79</b>
<b>(ii) Non - current assets</b>			
	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
India	8,597.35	7,171.80	3,423.25
Outside India	27.80	40.06	36.28
<b>Total</b>	<b>8,625.15</b>	<b>7,211.86</b>	<b>3,459.53</b>

Non-current assets exclude deferred tax assets, income tax assets, tax paid in protest, goodwill and investments. Capital advances have been shown in India as the assets against which advances have been given shall be installed in India though they have been given to parties outside India.

**(c) Major customer**

The Group does not derive revenue from one customer which would amount to 10 per cent or more of the Group's revenue.

**48 Disclosure as per Ind AS 115 - Revenue from contracts with customers**

i)	Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
	<b>Trade receivables</b>	1,431.49	1,495.46	1,442.12
	<b>Contract liabilities</b>	<b>161.38</b>	<b>134.79</b>	<b>106.42</b>
	Advances from customers	137.97	103.61	81.55
	Deferred revenue	6.17	6.46	9.68
	Liability towards customer loyalty program (Also refer note 27)	17.24	24.72	15.19

The amount included in contract liabilities has been recognised as revenue during the year ended 31 March 2023 of Rs. 47.08 million (31 March 2022: Rs. 44.22 million, 31 March 2021: Rs. 35.81 million).

No information is provided about remaining performance obligations at 31 March 2023 or at 31 March 2022 or at 31 March 2021 that have an original expected duration of one year or less, as allowed by Ind AS 115.

ii (a) **Disaggregation of revenue by Geographical region**

Revenue disaggregation by geographical region is included in segment information (refer note 47)

ii (b) **Disaggregation of revenue by sales channel**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Owned labs	10,477.61	12,132.76	7,630.39
Collection centre	2,599.02	3,554.06	2,441.12
Franchisees	246.92	188.88	140.28
<b>Total</b>	<b>13,323.55</b>	<b>15,875.70</b>	<b>10,211.79</b>

ii (c) **Reconciliation of revenue recognised with the contracted price is as follows:**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from contract with customer as per the contract price	13,332.00	15,885.23	10,214.46
<b>Adjustment made to contract price on account of:-</b>			
Customer loyalty program	7.48	(9.53)	(2.67)
Discount/rebate	(15.93)	-	-
<b>Revenue from contract with customer</b>	<b>13,323.55</b>	<b>15,875.70</b>	<b>10,211.79</b>
Other operating revenue	151.07	173.41	138.94
<b>Revenue from operations</b>	<b>13,474.62</b>	<b>16,049.11</b>	<b>10,350.73</b>

**49. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro Enterprises and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at the year end has been made in the financial statements based on information received and available with the Group.

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
The principal amount remaining unpaid as at the end of year	157.29	80.36	26.84
Interest due on above principal and remaining unpaid as at the end of the year	2.52	0.51	0.37
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	3.11	2.66	0.93
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	8.81	3.17	1.30
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-	-

**50 (A) Business combination**

- (i) During the year ended 31 March 2022, effective from April 05, 2021, the Company acquired 50% stake in DDRC Agilus Pathlabs Limited (Formerly known as DDRC SRL Diagnostics Limited) ("DDRC") (in which the Company's 100% subsidiary, Agilus Pathlabs Private Limited (Formerly known as SRL Diagnostics Private Limited), had already held 50% stake), from the joint venture partner. With the completion of this transaction, the aforesaid entity became wholly owned subsidiary of the Company. The transaction was for a consideration of Rs. 3,500.00 million (Rs. 3,250.00 million upfront and balance in two half yearly tranches of Rs. 125.00 million each on 04 October 2021 and 04 April 2022) towards acquisition of 50% stake in DDRC Agilus Pathlabs Limited. The transaction was accounted as business combination and based on purchase price allocation performed, a goodwill of Rs. 4,138.07 million was recorded.

The following table summarizes the recognised amount of assets acquired and liabilities assumed at the date of acquisition in relation to acquisition of balance 50% stake in DDRC Agilus Pathlabs Limited :

<b>Particulars</b>	<b>Fair Value</b>
Property, plant and equipment	442.54
Right-of-use assets	59.73
Softwares	7.32
Other non-current financial assets	136.87
Deferred tax assets (net)	30.89
Other non-current assets	25.11
Inventory	79.16
Trade and other receivables	79.86
Cash and cash equivalents	137.15
Current tax assets	17.72
Other assets	7.58
Lease liability	(65.10)
Provision for employee benefits	(56.32)
Trade payables	(70.43)
Other financial liabilities	(16.47)
Other liabilities	(73.74)
Customer relationships	573.31
Non compete	74.62
Trademarks	2,150.00
Deferred tax liability	(704.18)
<b>Net assets acquired</b>	<b>2,835.62</b>

With effect from 5 April 2021 (date of acquisition), DDRC has contributed Rs. 3,130.17 million and Rs. 737.35 million to the Group's restated total revenue and restated profit before tax respectively for the year ended 31 March 2022.

The management estimates that if the acquisition had occurred on 01 April 2021, restated consolidated revenue and restated consolidated profit before tax and other comprehensive income for the year ended 31 March 2022 would have been Rs. 16,083.58 million, Rs. 6,373.46 million and Rs. 0.64 million respectively.

**Measurement of fair values**

The valuation techniques for measurement of fair value is as follows :

**Property, plant and equipment**

Cost approach has been adopted to estimate the fair value of leasehold improvement, plant and machinery, air conditioners, medical equipments whereas for rest of the asset classes, the Group has considered their respective Net Book Values.

**Trade receivables**

Fair value of the acquired trade and other receivables at the date of acquisition is Rs. 79.86 million. This represents the gross contractual amounts due and there are no amounts that are expected to be uncollectable at the date of acquisition.

**Customer relationships**

The intangible asset related to customer relationships has been valued using Multi Period Excess Earnings Method ("MEEM"). Customer relationships are assumed to have a remaining useful life till FY 2036.

**Non compete**

The intangible asset related to non-compete has been valued using with or without method, which is form of the income approach. Non compete is having useful life of 3 years.

**Trademarks**

"DDRC" registered trademark has been valued using differential pricing method of the income approach. The Trademark has been valued at Rs. 2,150.00 million with an indefinite life. DDRC is a well-established and reputable brand registered since 2005. Given the historical life and the widespread network in the state of Kerala, management expects the Trademark to have an indefinite useful life. There are no known legal or contractual provisions that would limit the life of the brand and it is protected by trademarks that can be renewed indefinitely.

**Goodwill**

Goodwill arising from acquisition has been determined as follows:

<b>Particulars</b>	<b>Amount</b>
Cash consideration (for acquisition of 50% stake)	3,250.00
Deferred consideration (Rs. 250.00 million payable in two instalments) - for acquisition of 50% stake	236.84
Fair value of previously held equity interest	3,486.84
<b>Total consideration (A)</b>	<b>6,973.68</b>
Less: Fair value of net identifiable assets - (B)	2,835.62
<b>Goodwill (A)-(B)</b>	<b>4,138.06</b>

The goodwill is attributable mainly to the synergies expected to be achieved by integrating the entity into the Group's existing diagnostic business. The goodwill recognised is not expected to be deductible for income tax purposes.

**Step Acquisition**

As per Ind AS 103, in a business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss. As Agilus Diagnostics Limited through its 100% subsidiary, Agilus Pathlabs Private Limited (Formerly known as SRL Diagnostics Private Limited), was holding 50% equity interest in DDRC Agilus Pathlabs Limited (Formerly known as DDRC SRL Diagnostics Limited) prior to the acquisition, the same has been remeasured at fair value at the acquisition date. The remeasured value is calculated as below :

<b>Particulars</b>	<b>Amount</b>
Fair value of 50% equity stake in DDRC Agilus Pathlabs Limited	3,486.84
Less: Carrying value of investment in DDRC Agilus Pathlabs Limited (refer note 53)	425.41
<b>Gain on remeasurement of previously held equity interest</b>	<b>3,061.43</b>

This Gain on remeasurement of previously held equity interest of Rs. 3,061.43 million has been recognised as exceptional gain for the year ended 31 March 2022.

The Group incurred acquisition-related costs of Rs. 9.58 million on legal fees and due diligence costs. These costs have been included in 'legal and professional' under 'other expenses'. (refer note 36)

**50 (B) Business combination**

During the year ended March 2023, effective from July 1, 2022, the Company acquired R K Diagnostic, the whole pathology business vertical. The transaction was for a purchase consideration of Rs. 112.50 million. The amount shall be payable in three tranches Rs 28.13 million payable on Effective Date, Rs 56.25 million payable on or before Closing date and Rs 28.13 million payable within 120 days from Closing Date. The transaction is accounted as business combination and based on purchase price allocation performed, a goodwill of Rs. 96.41 million has been recorded.

The following table summarizes the recognised amount of assets acquired:

<b>Particulars</b>	<b>Fair Value</b>
Trademark and non compete fees	10.11
Right of Use assets	2.86
Deferred tax asset	0.72
Property, plant and equipment	5.98
Lease liability	(2.86)
Deferred tax liability	(0.72)
<b>Net assets acquired</b>	<b>16.09</b>

**Goodwill**

Goodwill arising from acquisition has been determined as follows:

<b>Particulars</b>	<b>Amount</b>
Purchase consideration	112.50
Fair value of net identifiable assets	16.09
<b>Goodwill</b>	<b>96.41</b>

**Property, plant and equipment**

Cost approach has been adopted to estimate the fair value of Property, plant and equipment.

**Non compete**

The intangible asset related to non-compete has been valued using with or without method, which is form of the income approach. Non compete is having useful life of 10 years.

The Goodwill is attributable mainly to the synergies expected to be achieved by integrating the acquired business into the Group's existing diagnostic business.

Statutory financial statements of the acquiree are not available for the period prior to acquisition hence it is impracticable to disclose revenue and profit or loss of the acquiree for the year ended 31 March 2023 as if the acquisition date for the business combination had been as of 1 April 2022. Contribution of the above business on revenue and profit for the year ended 31 March 2023 is also not available since the books of accounts are not separately maintained. None of the goodwill recognised is deductible for income tax purposes.

**50 (C)** During the year ended 31 March 2023, effective from January 15, 2023, the Company acquired Dr Ponshe Path Lab (Including care diagnostics), located at Ramdaspath Nagpur, Maharashtra. The transaction was for a purchase consideration of Rs. 109.10 million. The amount is payable in two tranches. First tranche of Rs. 54.55 million has been paid during the year ended 31 March 2023 and the second tranche of Rs 54.55 million is payable within 60 days from the expiry of the one year period on achievement of net revenue target. The transaction is accounted as a business combination and based on purchase price allocation performed, a goodwill of Rs. 81.40 million has been recorded.

The following table summarizes the recognised amount of assets acquired:

<b>Particulars</b>	<b>Fair Value</b>
Trademark and non compete fees	22.30
Softwares	0.14
Right of use assets	14.24
Deferred tax asset	3.58
Property, plant and equipment	5.26
Lease liability	(14.24)
Deferred tax liability	(3.58)
<b>Net assets acquired</b>	<b>27.70</b>

**Goodwill**

Goodwill arising from acquisition has been determined as follows:

<b>Particulars</b>	<b>Amount</b>
Purchase consideration (Including contingent consideration of Rs. 54.55 million)	109.10
Fair value of net identifiable assets	27.70
<b>Goodwill</b>	<b>81.40</b>

**Property, plant and equipment**

Cost approach has been adopted to estimate the fair value of Property, plant and equipment.

**Non compete**

The intangible asset related to non-compete has been valued using with or without method, which is form of the income approach. Non compete is having useful life of 9 years.

The Goodwill is attributable mainly to the synergies expected to be achieved by integrating the acquired business into the Group's existing diagnostic business.

Statutory financial statements of the acquiree are not available for the period prior to acquisition hence it is impracticable to disclose revenue and profit or loss of the acquiree for the year ended 31 March 2023 as if the acquisition date for the business combination had been as of 1 April 2022. Contribution of the above business on revenue and profit for the year ended 31 March 2023 is also not available since the books of accounts are not separately maintained. None of the goodwill recognised is deductible for income tax purposes.



**50 (D)** During the year ended March 2021, the Company entered into a business purchase agreement to acquire a lab owned by Dr. S P Singh located at Patiala for a purchase consideration of Rs. 14.55 million.

The following table summarizes the recognised amount of assets acquired:

<b>Particulars</b>	<b>Fair Value</b>
Trademark	4.05
Laboratory Equipments	0.75
Office Equipments	0.12
Air Conditioners	0.03
Furnitures & Fittings	0.05
Computers and accessories	0.03
<b>Net assets acquired</b>	<b>5.03</b>

**Goodwill**

Goodwill arising from acquisition has been determined as follows:

<b>Particulars</b>	<b>Amount</b>
Purchase consideration*	14.55
Fair value of net identifiable assets	5.03
<b>Goodwill</b>	<b>9.52</b>

\* Purchase consideration includes Rs. 10.50 million for assets purchase and Rs. 4.05 million for Non-compete fees classified as Trademark.

Purchase consideration includes deferred consideration of Rs. 7.55 million payable over a period of 27 months from the date of acquisition (i.e. 1 April 2020)

The Goodwill is attributable mainly to the synergies expected to be achieved by integrating the entities into the Group's existing diagnostic business. Considering the expected synergies in operation, it is impracticable to disclose revenue / profit or loss for the acquired lab separately. None of the goodwill recognised is deductible for income tax purposes.

**51. Interest in a joint venture**

**Share of profit of joint ventures**

	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Share of profit of Agilus Diagnostics Nepal Private Limited (Formerly known as SRL Diagnostics (Nepal) Private Limited) [refer note 52]	0.10	3.07	1.77
Share of profit of DDRC Agilus Pathlabs Limited (Formerly known as DDRC SRL Diagnostics Limited) [refer note 53]	-	5.96	433.93
	<b>0.10</b>	<b>9.03</b>	<b>435.70</b>

**52. Investment in joint venture [Agilus Diagnostics Nepal Private Limited (Formerly known as SRL Diagnostics (Nepal) Private Limited)]**

Agilus Diagnostics Limited entered into a Joint Venture agreement with Life Care Services Private Limited Nepal, to carry on the business of operating pathology labs and diagnostics centers in Nepal and for this purpose, has incorporated Agilus Diagnostics Nepal Private Limited with 50% interest in assets, liabilities, expenses and income. Agilus Diagnostics Limited invested Rs. 15.00 million in Agilus Diagnostics Nepal Private Limited.

Summarised financial information in respect of the Company's joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purposes.

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Current assets	84.61	60.25	68.80
Non-current assets	22.48	27.56	12.06
Current liabilities	40.90	21.78	20.53
Non-current liabilities	2.19	2.22	2.65
<b>Net assets</b>	<b>64.00</b>	<b>63.81</b>	<b>57.68</b>

**The above amounts of assets and liabilities include the following:**

Cash and cash equivalents	20.74	14.50	38.17
Current financial liabilities (excluding trade payables and provisions)	0.63	0.42	0.36
Non-current financial liabilities (excluding trade payables and provisions)	0.36	0.39	0.45

	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Revenue	76.44	80.56	56.21
Profit for the year	0.19	6.13	3.53
Total comprehensive income for the year	<b>0.19</b>	<b>6.13</b>	<b>3.53</b>
Proportion of group ownership interest in joint venture	50%	50%	50%
<b>Group's net share of result of joint venture</b>	<b>0.10</b>	<b>3.07</b>	<b>1.77</b>

**The above profit for the year includes the following:**

Depreciation and amortisation	4.06	4.34	2.28
Other income	2.99	1.00	1.79
Interest expense	-	-	0.10
Income tax expense (including deferred tax assets)	6.06	2.36	0.87

Reconciliation of the above summarised financial information to the carrying amount of interest in the joint venture recognised in restated consolidated financial information:

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Net assets of joint venture	64.00	63.81	57.68
Proportion of Group's ownership interest in joint venture	50%	50%	50%
Carrying amount of Group's interest in the joint venture	<b>32.00</b>	<b>31.90</b>	<b>28.84</b>

**53. Investment in joint venture [DDRC Agilus Pathlabs Limited (Formerly known as DDRC SRL Diagnostics Limited)]**

During the year ended 31 March 2022, the Group has acquired 50% equity stake equivalent to 2,50,000 equity shares in DDRC Agilus Pathlabs Limited ("DDRC"), for a cash consideration of Rs. 3,500 million. The said transaction was consummated on 05 April 2021. Post this acquisition, DDRC has become a wholly owned subsidiary of Agilus Diagnostics Limited.

Summarised financial information in respect of the joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements as on 04 April 2021 prepared in accordance with Ind ASs adjusted by the Group for equity accounting purposes.

	<b>As at 04 April 2021</b>	<b>As at 31 March 2021</b>
Current assets	322.32	473.61
Non-current assets	720.73	721.80
Goodwill arising on acquisition of joint venture	89.84	89.84
Current liabilities	176.87	125.55
Non-current liabilities	105.19	99.88
<b>Net assets</b>	<b>850.83</b>	<b>1,059.82</b>

**The above amounts of assets and liabilities include the following:**

Cash and cash equivalents	137.15	285.75
Current financial liabilities (excluding trade payables and provisions)	19.93	19.93
Non-current financial liabilities (excluding trade payables and provisions)	48.86	49.06

	<b>1 April to 4 April 2021</b>	<b>Year ended 31 March 2021</b>
Revenue	34.47	3,017.42
Profit	11.93	867.86
Proportion of group ownership interest in joint venture	50%	50%
<b>Share in profit of joint venture</b>	<b>5.96</b>	<b>433.93</b>
Less:- Dividends received from the joint venture	(110.46)	(280.00)
<b>Group's net share of profit/ (loss) of joint venture (A)</b>	<b>(104.50)</b>	<b>153.93</b>

**Share in other comprehensive income of joint venture**

(a) Remeasurements of the defined benefit plans of joint ventures	-	0.81
(b) Income tax on remeasurements of the defined benefit plans of joint ventures	-	(0.20)
<b>Group's share in other comprehensive income of joint venture (B)</b>	<b>-</b>	<b>0.61</b>

**Group's total share of result of joint venture (A+B)**

	<b>(104.50)</b>	<b>154.54</b>
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**The above profit for the year includes the following:**

Depreciation and amortisation	1.20	118.20
Other income	0.01	8.55
Finance costs	0.07	15.09
Income tax expense (including deferred tax)	3.96	286.45

Reconciliation of the above summarised financial information to the carrying amount of interest in the joint venture recognised in restated consolidated financial information:

	<b>As at 04 April 2021</b>	<b>As at 31 March 2021</b>
Net assets of joint venture	850.83	1,059.82
Proportion of company's ownership interest in joint venture	50%	50%
<b>Carrying amount of company's interest in the joint venture</b>	<b>425.41</b>	<b>529.91</b>

**Contingent liabilities:**

**Claims against the Joint venture, not acknowledged as debt (Group's share of liabilities):**

a. Disputed income tax demands	42.71	42.71
b. Disputed VAT demands	0.15	0.15
c. Payment of bonus as per the payment of bonus (amendment) Act, 2015	1.55	1.55
d. Others	1.02	1.02

**54. Disclosure of additional information as required by Schedule III:**

**(a) As at and for the year ended 31 March 2023**

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of restated consolidated net assets	Amount	As % of restated consolidated profit or loss	Amount	As % of restated consolidated other comprehensive income	Amount	As % of restated total comprehensive income	Amount
<b>Parent</b>								
Aqilus Diaagnostics Limited	70.62%	13,739.92	69.38%	809.21	808.85%	3.11	69.62%	812.32
<b>Subsidiaries (Group's share)</b>								
<b>Indian</b>								
Agilus Pathlabs Private Limited (Formerly known as SRL Diagnostics Private Limited)	9.11%	1,772.10	32.71%	381.49	830.21%	3.20	32.97%	384.69
Agilus Pathlabs Reach Limited (Formerly known as SRL Reach Limited)	0.02%	2.95	0.83%	9.63	19.27%	0.07	0.83%	9.70
DDRC Agilus Pathlabs Limited (Formerly known as DDRC SRL Diagnostics Limited)	8.09%	1,573.62	41.12%	479.61	236.46%	0.91	41.18%	480.52
<b>Foreign</b>								
Agilus Diagnostics FZ LLC (Formerly known as SRL Diagnostics FZ LLC)	-0.63%	(123.10)	-3.60%	(41.98)	-1794.79%	(6.90)	-4.19%	(48.88)
<b>Joint Venture (Investment as per the equity method)</b>								
<b>Foreign</b>								
Agilus Diagnostics Nepal Private Limited (Formerly known as SRL Diagnostics (Nepal) Private Limited)	0.16%	32.00	0.01%	0.10	-	-	0.01%	0.10
Consolidation adjustments	12.63%	2,458.28	-40.45%	(471.70)	-	-	-40.42%	(471.70)
<b>Total</b>	<b>100.00%</b>	<b>19,455.77</b>	<b>100.00%</b>	<b>1,166.36</b>	<b>100.00%</b>	<b>0.39</b>	<b>100.00%</b>	<b>1,166.75</b>

(i) The amounts given here in respect of joint venture are the share of the Group in the net assets, Profit and Loss of the respective joint venture.

**Agilus Diagnostics Limited (formerly known as SRL Limited)**  
**CIN U74899PB1995PLC045956**  
**Annexure VII - Notes to the Restated Consolidated Financial Information (Continued)**  
*(All amounts in Rupees millions, unless otherwise stated)*

**54. Disclosure of additional information as required by Schedule III:**

**(b) As at and for the year ended 31 March 2022**

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of restated consolidated net assets	Amount	As % of restated consolidated profit or loss	Amount	As % of restated consolidated other comprehensive income	Amount	As % of restated total comprehensive income	Amount
<b>Parent</b>								
Agilus Diagnostics Limited	71.27%	13,300.13	28.41%	1,575.66	902.82%	5.77	28.50%	1,581.43
<b>Subsidiaries (Group's share)</b>								
<b>Indian</b>								
Agilus Pathlabs Private Limited (Formerly known as SRL Diagnostics Private Limited)	5.95%	1,110.62	8.51%	472.11	543.82%	3.47	8.57%	475.58
Agilus Pathlabs Reach Limited (Formerly known as SRL Reach Limited)	-0.04%	(6.75)	0.00%	0.15	-15.96%	(0.10)	0.00%	0.05
DDRC Agilus Pathlabs Limited (Formerly known as DDRC SRL Diagnostics Limited)	7.85%	1,465.62	13.29%	737.35	-366.67%	(2.34)	13.25%	735.01
<b>Foreign</b>								
Agilus Diagnostics FZ LLC (Formerly known as SRL Diagnostics FZ LLC)	-0.39%	(74.23)	2.24%	124.35	-964.01%	(6.16)	2.13%	118.19
<b>Joint Ventures (Investments as per the equity method)</b>								
<b>Indian</b>								
DDRC Agilus Pathlabs Limited (Formerly known as DDRC SRL Diagnostics Limited) (upto 04 April 2021)	-	-	0.11%	5.96	-	-	0.11%	5.96
<b>Foreign</b>								
Agilus Diagnostics Nepal Private Limited (Formerly known as SRL Diagnostics (Nepal) Private Limited)	0.17%	31.90	0.06%	3.07	-	-	0.06%	3.07
Consolidation adjustments	15.19%	2,834.25	47.38%	2,628.43	-	-	47.38%	2,628.43
<b>Total</b>	<b>100.00%</b>	<b>18,661.54</b>	<b>100.00%</b>	<b>5,547.08</b>	<b>100.00%</b>	<b>0.64</b>	<b>100.00%</b>	<b>5,547.72</b>

(i) The amounts given here in respect of joint ventures are the share of the Group in the net assets, Profit and Loss of the respective joint venture.

**Agilus Diagnostics Limited (formerly known as SRL Limited)**  
**CIN U74899PB1995PLC045956**  
**Annexure VII - Notes to the Restated Consolidated Financial Information (Continued)**  
*(All amounts in Rupees millions, unless otherwise stated)*

**54. Disclosure of additional information as required by Schedule III:**

**(c) As at and for the year ended 31 March 2021**

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of restated consolidated net assets	Amount	As % of restated consolidated profit or loss	Amount	As % of restated consolidated other comprehensive income	Amount	As % of restated total comprehensive income	Amount
<b>Parent</b>								
Agilus Diagnostics Limited	89.36%	11,718.69	70.43%	924.42	-133.21%	(7.32)	69.59%	917.10
<b>Subsidiaries (Group's share)</b>								
<b>Indian</b>								
Agilus Pathlabs Private Limited (Formerly known as SRL Diagnostics Private Limited)	7.82%	1,025.51	33.25%	436.36	126.17%	6.93	33.64%	443.29
Agilus Pathlabs Reach Limited (Formerly known as SRL Reach Limited)	-0.05%	(6.81)	-1.58%	(20.71)	2.04%	0.11	-1.56%	(20.60)
<b>Foreign</b>								
Agilus Diagnostics FZ LLC (Formerly known as SRL Diagnostics FZ LLC)	-1.47%	(192.42)	-11.66%	(153.03)	94.00%	5.16	-11.22%	(147.87)
<b>Joint Ventures (Investments as per the equity method)</b>								
<b>Indian</b>								
DDRC Agilus Pathlabs Limited (Formerly known as DDRC SRL Diagnostics Limited)	4.04%	529.91	33.06%	433.93	11.00%	0.61	32.97%	434.54
<b>Foreign</b>								
Agilus Diagnostics Nepal Private Limited (Formerly known as SRL Diagnostics (Nepal) Private Limited)	0.22%	28.84	0.13%	1.77	-	-	0.13%	1.77
Consolidation adjustments	0.08%	10.10	-23.64%	(310.29)	-	-	-23.55%	(310.29)
<b>Total</b>	<b>100.00%</b>	<b>13,113.82</b>	<b>100.00%</b>	<b>1,312.45</b>	<b>100.00%</b>	<b>5.49</b>	<b>100.00%</b>	<b>1,317.94</b>

(i) The amounts given here in respect of joint ventures are the share of the Group in the net assets, Profit and Loss of the respective joint venture.

**55. Additional notes**

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group do not have any transactions with companies struck off under section 248 of the Companies Act, 2013.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- (iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) 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:
- (a) 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
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) 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:
- (a) 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
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (vii) The Group has not entered any 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.)
- (viii) 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 that are repayable on demand or without specifying any terms or period of repayment except loan given by Agilus Diagnostics Limited ("holding company") to Agilus Pathlabs Private Limited (Formerly known as SRL Diagnostics Private Limited) ("wholly owned subsidiary") amounting to Rs. 770.00 million which is repayable on demand. As the loan is granted within the Group, the same has been eliminated on consolidation in these Restated Consolidated Financial Information.
- (ix) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.
- (x) The Group has not revalued its property, plant and equipment (including right- of-use assets) or intangible assets or both during the current or previous years.
- (xi) None of the entities in the Group have been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (xii) The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- (xiii) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial years.

**55 (A)** The Board of Directors, at its meeting on 18 May 2023, recommended a dividend at the rate of Rs. 2.98 per equity share on 78.43 million shares having face value of Rs. 10 each (fully paid up) for the financial year ended March 31, 2023. Further shareholders have approved the dividend in the Annual General Meeting (AGM) dated 31 July 2023. This has resulted in a net cash outflow of Rs. 233.71 million.

For the year ended 31 March 2022, the Company paid a dividend of Rs. 4.75 per equity share on 78.43 million shares having face value of Rs. 10 each (fully paid up). This resulted in a cash outflow of Rs. 372.52 million (including tax deducted at source of Rs. 32.99 million)

**55 (B)** During the year ended 31 March 2023, the Group has entered in to business transfer agreement (BTA) for purchase of certain standalone labs at a consideration of Rs. 490 millions. As at 31 March 2023, the acquisition of these labs is dependent on completion of pre-defined closing conditions (to be completed by seller) as mentioned in the Business Transfer Agreements. Subsequent to the year end, the said conditions have been met and the acquisitions have been completed by transfer of agreed purchase consideration.

**55 (C)** The Company has filed statement of trade receivable, creditors and inventory with banks during the year ended 31 March 2023. The summary of differences between books of accounts and statement filed on respective quarter end are:

Quarter	Name of bank	Particulars of the securities provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Variance
Jun-22	Axis Bank Limited, Kotak Mahindra Bank Limited, DBS Bank India Limited, HDFC Bank Limited	Inventory	388.66	350.40	38.26
		Creditors	353.74	351.40	2.34
Inventory		380.28	336.40	43.88	
Creditors		531.77	527.20	4.57	
Dec-22		Inventory	416.87	371.60	45.27
Mar-23		Inventory	443.48	394.40	49.08
		Creditors	434.42	430.70	3.72

The reason for variances in the statements submitted to banks as mentioned above is primarily due to certain period end book closure adjustments recorded post filing of the statements with banks.

**55 (D)** Following figures of year ended 31 March 2021 have been reclassified, pursuant to amendments in Schedule III of the Companies Act 2013 effective from 01 April 2021:

Particulars	Classification as per financial statements for the year ended 31 March 2021	Classification as per Restated Consolidated financial information	Amount
Security deposits (Non current)	Loans (Non current)	Other financial assets (Non current)	96.03
Security deposits (Current)	Loans (Current)	Other financial assets (Current)	41.66
Borrowings (Current)	Other financial liabilities	Current borrowings	2.83

**55 (E)** During the year ended 31 March 2023, the Group has revised the presentation of certain notes to the Restated Consolidated Financial information for better presentation. Hence, comparative amounts for the year ended 31 March 2022 and March 2021 have been reclassified for consistency.

#### As at 31 March 2022

Particulars	As earlier reported	Revised classification	Change due to classification
<b>Interest accrued on fixed deposits</b>			
<b>Current Assets</b>			
Cash and cash equivalents	1,034.46	1,035.78	1.32
Bank balances other than cash and cash equivalents	2,568.71	2,586.44	17.74
Other financial assets - Current	132.68	113.52	(19.16)
<b>Non - Current Assets</b>			
Other financial assets - Non current	244.92	245.03	0.11
<b>Tax Liability</b>			
<b>Non - Current Assets</b>			
Other tax assets (net)	491.03	495.65	(4.62)
<b>Current Liabilities</b>			
Current tax liabilities (net)	-	4.62	4.62

#### As at 31 March 2021

Particulars	As earlier reported	Revised classification	Change due to classification
<b>Interest accrued</b>			
<b>Current Assets</b>			
Cash and cash equivalents	2,263.30	2,266.16	2.86
Bank balances other than cash and cash equivalents	1,326.80	1,336.43	9.63
Other financial assets - Current	86.44	47.25	(39.19)
Loans - Current	1,071.70	1,098.30	26.60
<b>Non - Current Assets</b>			
Other financial assets - Non current	98.70	98.80	0.10
<b>Non - Current Liabilities</b>			
Other non - current liabilities	0.73	-	(0.73)
<b>Current Liabilities</b>			
Other Financial Liabilities*	387.21	385.10	(2.11)

\* includes the impact of reclassification of current maturity of non-current borrowings of Rs. 2.83 million as per schedule III. Refer note 55 (D).



**56. Investigation initiated by the erstwhile Audit and Risk Management Committee (ARMC) of Fortis Healthcare Limited ("Parent Company" or "FHL")**

- (a) As disclosed in the financial statements for the years ended March 31, 2018, March 31, 2019 and March 31, 2020, during the year ended March 31 2018, there were reports in the media and enquiries from, inter alia, the stock exchanges received by the Parent Company about certain inter- corporate loans given by a wholly owned subsidiary of the Parent Company. The erstwhile Audit and Risk Management Committee of the Parent Company decided to carry out an independent investigation through an external legal firm on this matter. The terms of reference of the investigation, inter alia, comprised: (i) ICDs amounting to a total of Rupees 4,941.4 million (principal), placed by the Parent Company's wholly-owned subsidiary, FHSL, with three borrowing companies as on July 1, 2017; (ii) the assignment of these Inter-corporate deposits ('ICDs') to a third party and the subsequent cancellation thereof as well as evaluation of legal notice (now a civil suit) received from such third party ; (iii) review of intra-group transactions for the period commencing FY 2014-15 and ending on December 31, 2017; (iv) investments made in certain overseas funds by the overseas subsidiaries of the Parent Company (i.e. Fortis Asia Healthcare Pte. Ltd, Singapore and Fortis Global Healthcare (Mauritius) Limited) ; (v) certain other transactions involving acquisition of Fortis Healthstaff Limited ("Fortis Healthstaff") from an erstwhile promoter group company of Parent Company, and subsequent repayment of loan by said subsidiary to the erstwhile promoter group company of Parent Company. The investigation report of which was submitted to the re-constituted Board of Parent Company in June 2018.

The investigation noted certain significant findings in relation to past transactions concerning FHL and its subsidiaries with companies whose current and/ or past promoters/ directors were known to/ connected with the erstwhile promoters of the Parent Company. All such identified transactions were provided for by the Parent Company and its respective subsidiaries in the financial statements for the year ended March 31 2018.

The investigation was subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their investigation report. It did not cover all related party transactions during the period under investigation. It was observed in internal correspondence within the Parent Company that transactions with certain other entities have been referred to as related party transactions. However, no further conclusions could be drawn in this regard.

- (b) Related party relationships as required under Ind AS 24 – Related Party Disclosures and the Companies Act, 2013 were as identified by the Management taking into account the findings and limitations in the Investigation Report and the information available with the Management. In this regard, in the absence of specific declarations from the erstwhile directors on their compliance with disclosures of related parties, especially considering the substance of the relationship rather than the legal form, the related parties were identified based on the declarations by the erstwhile directors and the information available through the known shareholding pattern in the entities up to March 31, 2018. Therefore, the possibility could not have been ruled out that there may have been additional related parties whose relationship may not have been disclosed and, hence, not known to the Management. While such references could not be fully analyzed during the initial investigation, the nature of these references raised certain concerns.

In order to overcome the above, the Parent Company's Board of Directors initiated additional procedures/ enquiries of certain entities in the Fortis Group that were impacted in respect of the matters investigated by the external legal firm. Pending the additional procedures/enquiries ("Additional Procedures/ Enquiries") and since the investigation was subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their investigation report, as disclosed in the audited financial statements for the years ended March 31, 2018, March 31, 2019 and March 31, 2020; certain audit qualifications were made in respect of Parent Company and its Subsidiaries [including Agilus Diagnostics Limited's ('Agilus diagnostics' or 'Company')] financial statements for those financial years, as the statutory auditors were unable to comment on the nature of those matters, the provisions established thereof, or any further potential impact on the financial statements.

In order to resolve the same, the Board of the Parent Company mandated the management to undertake review of certain areas in relation to historical transactions for the period April 1, 2014 to September 30, 2018 involving additional matters by engaging independent experts with specialized forensic skills to assist with the Additional Procedures/Enquiries and provide inputs and expert advice in connection therewith. The independent experts submitted their report which was discussed and considered by the Board of the Parent Company in its meeting held on September 16, 2020.

The Board of Company and its subsidiaries noted that the Additional Procedures/Enquiries had not revealed any further instances of improper transactions which had not been expensed or provided in earlier years.

In connection with the potentially improper transactions, the Parent Company has undertaken a detailed review to assess its legal rights and has initiated necessary action.

- (c) **Key findings during the investigation by the external legal firm and during the Additional Procedures/Enquiries by independent experts**

In July 2017 a Memorandum of Understanding (MoU) was entered between Agilus Diagnostics Limited ('Agilus Diagnostics' or 'Company') and a body corporate (Dignity) for lease of an office space, which were amended on different dates. The Company had paid Rs. 46.00 million towards security deposit and fit-outs/ interior decoration to the body corporate, which was refundable on either expiry of the term of the MoU or its earlier termination. In addition, the Company has incurred Rs. 31.52 million on the said proposed office space as capital expenditure/ advance paid, to other third party vendors. The validity of MoU was extended until 31 March, 2018.

The MoU was not extended further and the Company asked the Body Corporate to refund the amounts, due as per the MoU. The party had provided the Company with two post-dated cheques for Rs. 46.00 million which were banked on 13 June, 2018 by the Company, but were returned from the bank with the comment "refer to drawer". As the amounts were not received, the Company had served legal notice on 3 July 2018 under Section 138 of the Negotiable Instrument Act against the body corporate. Complaint under Negotiable Instruments Act, 1881 had been filed against Dignity, its Directors and authorized signatories" (Dignity officers) before Metropolitan Magistrate Court, Mumbai ("Hon'ble Court") in August 2018. The matter is currently pending with Hon'ble Court for further proceeding. The company has also initiated arbitration proceeding against the body corporate for recovery of Rs. 46.00 million paid towards security deposit and Rs. 30.49 million incurred pertaining to the office space. Vide order dated February 20, 2019 Hon'ble Delhi High Court appointed an arbitrator before whom company has filed its claim. Further, the Company had filed their respective claims before Interim Resolution Professional (IRP), appointed by NCLT in a matter filed by one of creditors of body corporate. IRP is currently adjudicating the claims of various creditors of the body corporate including that of the Company.

In view of the facts stated above and the uncertainty in the ultimate recovery of the aforesaid balances, the Company had recorded provisions aggregating to Rs. 77.52 million (Capital advances Rs 30.21 million, Security deposits of Rs. 20.00 million, Capital work in progress of Rs. 27.31 million) in these Restated Consolidated Financial information.

SFIO has sought information in respect of this transaction from Parent Company and the same has been duly provided by the Parent Company. Further, a complaint has been filed by the Parent Company and Fortis Hospitals Limited (FHSL) with the EOW in November 2020 against its ex-promoters and their related entities for certain other matters, in which a reference has been made to such SIFO enquiries as well as to the Company's responses thereto and EOW is investigating the matter. A First Information Report (FIR) was registered by EOW in July 2021 against the above complaint.

Based on investigation carried by the external legal firm and the additional procedures/enquiries by independent experts, all identified/required adjustments /provisions/disclosures have been made in the financial statements of the Company. The Parent Company has also submitted findings of the Investigation Report of the external legal firm and the additional procedures/ enquiries by independent experts to the relevant regulatory authorities. Further, on relevant aspects, the Parent Company and FHSL have also filed a complaint with the EOW against the erstwhile promoters/ erstwhile promoter group companies and EOW is investigating the matter. Recovery /claim proceedings have also been initiated in the matters where action was recommended by the legal counsels. A First Information Report (FIR) was registered by EOW in July 2021 against the above complaint.

Therefore, with this conclusion, the initial investigation initiated by the erstwhile ARMC, which was subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers has been addressed through the additional procedures/enquiries by independent experts. In addition, the reconstituted Board of the Parent Company had initiated specific improvement projects to strengthen the process and control environment. The projects included revision of authority levels, both operational and financial and oversight of the Board, review of Financial Reporting processes, assessment of secretarial documentation w.r.t compliance with regulatory requirements and systems design & control enhancement for which the assessment work was done and corrective action plans were implemented.

Accordingly, the Board of the Parent Company had taken necessary actions in consultation with the legal counsels in this regard. The investigations in so far as these issues involving the erstwhile promoters/ erstwhile promoter group companies is concerned are still pending with the regulatory authorities. The management of the Company also believes that if any action is initiated by regulatory authorities against the Company, the same should not have a significant material impact on the Company as all items which may have financial impact have already been provided for in earlier years. The Company would fully co-operate with the regulatory authorities in this regard.

#### **57. Matters in relation to Regulatory Authorities**

- (a) During financial year 2017-18, the Parent Company received a communication from the Securities and Exchange Board of India (SEBI), stating that an investigation has been instituted by it in the matter of the Parent Company. In the said investigation, SEBI requisitioned from the Parent Company certain information and documents relating to short term investments of approximately Rs. 4,730 million given by a wholly owned subsidiary of the Parent Company, Fortis Hospitals Limited ("FHsL"), which had been reported in media. Subsequently, a Show-Cause Notice (SCN -1) was issued by SEBI to various entities including the Parent Company, FHsL on November 20, 2020 with certain allegations. In response, a joint representation/reply was filed by the Parent Company and FHsL on December 28, 2020 praying for quashing of the SCN on various grounds.

In the joint representation/reply, the Parent Company and FHsL have submitted that they were in fact the victims of the wrongdoings of the Erstwhile Promoters (Malvinder Mohan Singh and Shivinder Mohan Singh) of the Parent Company and that victims ought not to be punished for the acts and offences of the wrongdoers. Further, the Parent Company and FHsL have submitted that the Erstwhile Promoters controlled the affairs of the Parent Company and FHsL at the time when the acts forming the subject matter of the SCN happened. The Erstwhile Promoters are no longer associated with the Parent Company and a new promoter (i.e. NTK Venture Pte. Ltd.) has assumed control of the Parent Company with the approval of the Competition Commission of India and SEBI (which has approved the open offer process triggered by the change in control). Further, various legal actions have been initiated against the Erstwhile Promoters and several steps have been taken in order to recover the diverted amounts. As such, any adverse orders against the Parent Company and FHsL would harm their existing shareholders, employees and creditors. Oral submissions in response to the SCN were made before the SEBI, Whole Time Member on January 20, 2021, and a written synopsis of the same was filed.

On April 09, 2021, SEBI issued another Show cause notice (SCN-2) to various parties including Escorts Heart Institute and Research Centre Limited, a subsidiary of the Parent Company. In the said show cause notice, with respect to EHIRCL, it has been alleged that Rs. 5,670 million was lent by the Parent Company to EHIRCL in 2011, which was subsequently transferred by EHIRCL to Lowe Infra and Wellness Private Limited ("Lowe") in multiple transactions for the purchase of a land parcel. This land parcel, which was alleged to be indirectly acquired by the Parent Company through its subsidiary EHIRCL and another entity Lowe, was then transferred to RHC Holdings Private Limited ("RHC Holdings"). It has been stated in the said Show cause notice that a structured rotation of funds was carried out to portray that the loan extended by the Parent Company for the purchase of land had been paid back with interest in the year 2011. It is alleged that the Parent Company was actually paid back by RHC Holding over a period of four years ending on July 31, 2015. In this respect, the Parent Company and FHsL funds were allegedly routed through various layers in order to camouflage the transactions, and to circumvent legal provisions with respect to related party transactions.

SEBI has passed an order dated April 19, 2022 w.r.t SCN -1 and directed the Parent Company & FHsL to pursue the measures taken to recover the amount along with the interest from Erstwhile Promoters & Audit Committee of Parent Company to regularly monitor the progress of such measures and report the same to Board of Directors at regular intervals. In respect to SCN-2, SEBI passed an order dated May 18, 2022. Based on the aforesaid allegations and actions taken by the Parent Company against the Erstwhile Promoters and related entities, SEBI has imposed a penalty of Rs 10 million, Rs 5 million and Rs. 10 million on Parent Company, FHsL and EHIRCL respectively. Parent Company, FHsL and EHIRCL have filed an appeal against the order dated April 19, 2022 before Hon'ble Securities Appellate Tribunal, Mumbai. Appeal is pending adjudication. No such notice has been received from SEBI by Agilus Diagnostics Limited ('Agilus diagnostics' or 'Company') or its subsidiaries.

- (b) During year ended March 31, 2018, the Registrar of Companies (ROC) under section 206(1) of the Companies Act, 2013, inter alia, had sought information in relation to the Parent Company. All requisite information in this regard has been duly shared by the Parent Company with the ROC.
- (c) The Serious Fraud Investigation Office (SFIO) of the Ministry of Corporate Affairs, under section 217(1)(a) of the Companies Act, 2013, inter alia, initiated an investigation and sought information in relation to the Parent Company, its subsidiaries (including the Company), joint ventures and associates. The Parent Company and the Company has submitted requisite information in this regard with SFIO, as requested from time to time. The outcome of the SFIO investigation cannot be ascertained as of now keeping in view the present stage of investigation.

The Investigation Report of the external legal firm was submitted by the Parent Company to the SEBI, and SFIO on June 12, 2018. Further, the Parent Company has filed complaints in the EOW against its ex- promoters and their related entities. A copy of the report of the additional procedures/ enquiries done by the independent expert have also been submitted to SEBI and SFIO on November 10, 2020.

The Parent Company, it's subsidiaries (including the company) are co-operating with the regulators in relation to the ongoing investigations to enable them to make their determination on these matters and to undertake remedial action, as may be required, and to ensure compliance with applicable laws and regulations. As per the management and in consultation with external legal counsel it is believed that the likelihood of additional impact, if any, is low and is not expected to be material.

**58. Claims assessed as contingent liability and not provided for, unless otherwise stated :**

A party ("Assignee" or "Plaintiff") has filed a Civil Suit before the District Court, Delhi in February 2018 against various group entities (together "the defendants") and have, inter alia, claimed implied ownerships of brands "SRL" ["Fortis" and "La-Femme" of Fortis Healthcare Limited (the "Parent company")] in addition to certain financial claims and for passing a decree that consequent to a term sheet dated 6 December 2017 ("Term sheet") between the defendants and a third party, the defendants are liable for claims owed by the Plaintiff to the Third Party. In connection with this, the District Court passed an ex-parte order directing that any transaction undertaken by defendants, in favour of any other party, affecting the interest of the Plaintiff shall be subject to orders passed in the said suit. The above referred Third Party has sought to be substituted as a Plaintiff in the District Court proceedings.

The Parent Company has filed written statement denying all allegations made against it and prayed for dismissal of the Civil Suit on various legal and factual grounds. The Parent Company has in its written statement also stated that it has not signed the alleged Term Sheet with the Third Party. The matter is pending adjudication before District Court, Delhi.

In addition to the above, the Parent Company has also received four notices from the Claimant claiming (i) Rs. 180 million as per notices dated May 30, 2018 and June 1, 2018 (ii) Rs. 2,158.2 million as per notice dated June 4, 2018; and (iii) Rs. 196.2 million as per notice dated June 4, 2018. All these notices have been responded to by the Parent Company denying any liability whatsoever.

Separately, the Third Party has also alleged rights to invest in the Parent Company. It has also alleged failure on part of the Parent Company to abide by the aforementioned Term Sheet and has claimed ownership over the brands as well.

Allegations made by the Third Party has been duly responded to by the Parent Company denying (i) execution of any binding agreement with the Party and (ii) liability of any kind whatsoever. The matter is pending adjudication before District Court, Delhi. The Parent Company has also filed an application for perjury against the Third Party and certain other persons before the Hon'ble High Court of Delhi which has issued notice to them. During the year ended March 31, 2022, signatories of Third Party to the Term Sheet have also filed a duly affirmed affidavit before Delhi High Court stating that Term Sheet was neither signed on behalf of the Company before them nor did it ever come in force.

Daiichi Sankyo Company, Limited ('Daiichi') on 8 July 2020 had moved an application for restricting the Licensor from selling, alienating or creating any Third Party interest in the Brand SRL by asserting that such actions would prejudice their right to execute the award. Further, there is a "freezing order" by the Delhi High Court on the Licensor of SRL brand. Daiichi under this application also sought for valuation and sale of SRL brand. Agilus Diagnostics Limited has filed the reply/ objection to the said application and the application is pending adjudication before Delhi High Court.

During the quarter ended September 30, 2020, an application was filed by the Parent Company before the Hon'ble Supreme Court of India, praying for permission to it and its subsidiaries for changing their respective names, brands and logos; and for continued usage of the same if the said application was not disposed of prior to expiry of the term of the Brand License Agreement to allow adequate time for smooth Brand transition without any disruption to business. In the month May 2021, the Brand license Agreement has expired. The Hon'ble Supreme Court of India has disposed of the Petitions, and the Group is evaluating the path ahead in consultation with its legal advisors with regard to the brand transition.

Based on advice of external legal counsel, the Management believes that the claims are without legal basis and are not tenable and accordingly no adjustment is required in these Restated Consolidated Financial information with respect to these claims.

As per our examination report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm's Registration No.:101248W/W-100022

For and on behalf of the Board of Directors of  
**Agilus Diagnostics Limited (formerly known as SRL Limited)**

**Rahul Nayar**  
Partner  
Membership Number: 508605

**Anand K**  
Managing Director & Chief Executive Officer  
DIN: 02427196

**Dr. Ashutosh Raghuvanshi**  
Director  
DIN: 02775637

Place: Gurugram  
Date : 25 September 2023

**Trapti**  
Company Secretary

**Mangesh Shirodkar**  
Chief Financial Officer

Place: Gurugram  
Date : 25 September 2023

## OTHER FINANCIAL INFORMATION

### Accounting ratios

The accounting ratios derived from Restated Consolidated Financial Information required to be disclosed under the SEBI ICDR Regulations are set forth below:

Particulars	As at and for the Fiscal ended		
	March 31, 2021	March 31, 2022	March 31, 2023
Basic earnings per Equity Share <sup>(1)</sup> (in ₹)	16.74	70.73	14.87
Diluted earnings per Equity Share <sup>(2)</sup> (in ₹)	16.62	70.21	14.76
EBITDA <sup>(3)</sup> (in ₹ million)	2,442.04	7,323.95	2,626.26
Adjusted EBITDA <sup>(4)</sup> (in ₹ million)	2,442.04	4,262.52	2,626.26
Net Worth <sup>(5)</sup> (in ₹ million)	11,695.71	17,243.43	18,037.66
Return on net worth <sup>(6)</sup> (%)	14.71	53.69	10.65
Net Asset Value per Equity Share <sup>(7)</sup> (in ₹)	149.13	219.87	230.00
Return on Capital Employed <sup>(8)</sup> (%)	20.61	73.39	20.17

Notes:

1. Earnings per equity share (Basic) = Restated profit for the year attributable to owners of the Company / Weighted average number of equity shares for the purpose of basic earnings per share.
2. Earnings per equity share (Diluted) = Restated profit for the year attributable to owners of the Company / The weighted average number of equity shares for the purpose of diluted earnings per share
3. EBITDA is calculated as restated profit for the year plus tax expenses, finance costs, depreciation and amortization expense
4. Adjusted EBITDA is calculated as restated profit for the year plus tax expenses, finance costs, depreciation and amortization expense and exceptional items.
5. Net Worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or 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 the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Further, capital reserve have been excluded when computing net worth since these were not created out of the profits
6. Return on Net worth (%) = Restated profit for the year / Net Worth at the end of the year
7. Net Asset Value per Equity Share (in ₹) = Net Worth at the end of the year / Number of equity shares outstanding at the end of the year
8. Return on Capital Employed is calculated as a percentage of EBIT (i.e., calculated as restated profit for the year before tax and finance costs) divided by capital employed (i.e., total equity plus total borrowings, lease liabilities, deferred tax liabilities excluding goodwill and other intangible assets).

For further details of Non-GAAP measures, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures” on page 345.

### Other financial statements

In accordance with Schedule VI, Part A (11)(I)(A)(ii) of the SEBI ICDR Regulations, the audited standalone financial statements of our Company for Fiscals 2021, 2022 and 2023 (“**Company Audited Financial Statements**”) are available on our website at <https://agilusdiagnostics.com/investors/draft-red-herring-prospectus-and-related-documents>. Further, the audited standalone financial statements of our Material Subsidiaries (in terms of the SEBI ICDR Regulations), namely (i) Agilus Pathlabs Private Limited for Fiscals 2021, 2022 and 2023 and (ii) DDRC Agilus Pathlabs Limited for Fiscals 2022 and 2023, (the “**Subsidiaries Audited Financial Statements**”) and together with the Company Audited Financial Statements, the “**Audited Financial Statements**”) are available on our website at <https://agilusdiagnostics.com/investors/financials-of-subsiadiaries-agilus> and <https://agilusdiagnostics.com/investors/financials-of-subsiadiaries-ddrc>, respectively.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements 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, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere.

The Audited Financial Statements and the reports thereon should not be considered as part of information that any investor should consider for subscribing to or purchase of any securities of our Company or any entity in which our Shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. None of the entities specified above, nor any of their advisors, nor BRLMs or the Selling Shareholders,

nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Disclosures' read with the SEBI ICDR Regulations, for Fiscals 2021, 2022 and 2023 and as reported in the Restated Consolidated Financial Information, see "*Restated Consolidated Financial Information – Note 39 - Related party disclosures*" on page 279.

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at March 31, 2023, derived from our Restated Consolidated Financial Information and as adjusted for the Offer. This table should be read in conjunction with "Risk Factors", "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 36, 241 and 316, respectively:

*(in ₹ million, except ratios)*

Particulars	Pre-Offer as at March 31, 2023	As adjusted for the Offer*
<b>Borrowings</b>		
Non-current borrowings (I)#	18.96	
Current borrowings (II)#	9.33	
<b>Total borrowings (III = I + II)</b>	<b>28.29</b>	
<b>Equity</b>		
Equity share capital (IV)#	784.26	-
Other equity (V)#	18,671.51	
<b>Total equity (VI = IV + V)</b>	<b>19,455.77</b>	
<b>Total Capitalization (VII= III + VI)</b>	<b>19,484.06</b>	
<b>Ratio: Non-current borrowings / Total equity (VIII = I/VI)</b>	<b>0.10%</b>	
<b>Ratio: Total borrowings / Total equity (IX = III / VI)</b>	<b>0.15%</b>	

\* Our Company is proposing to offer the Equity Shares through an offer for sale by way of initial public offering. Hence, there will be no change in the total equity on account of this Offer.

#These terms carry the same meaning as per Schedule III of the Companies Act.

## 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, which is included in this Draft Red Herring Prospectus. This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See "Forward-Looking Statements" on page 18. Our fiscal year ends on March 31 of each year, and references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Restated Consolidated Financial Information for Fiscals 2021, 2022 and 2023 included in this Draft Red Herring Prospectus. For further information, see "Restated Consolidated Financial Information" on page 241.*

*Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Agilus Diagnostics Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Agilus Diagnostics Limited and its Subsidiaries and Joint Venture, on a consolidated basis.*

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Assessment of the diagnostics industry in India" dated September 2023 (the "CRISIL Report") prepared and released by CRISIL MI&A, a division of CRISIL Limited, exclusively commissioned by our Company and paid for by our Company on behalf of the Selling Shareholders in connection with the Offer, pursuant to an engagement letter dated June 16, 2023. A copy of the CRISIL Report is available on the website of our Company at <https://agilusdiagnostics.com/investors/draft-red-herring-prospectus-and-related-documents>. 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. 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 further information, see "Risk Factors - Internal Risks - Certain sections of this Draft Red Herring Prospectus disclose information from the CRISIL Report which has been prepared exclusively for the Offer and commissioned by our Company and paid for by our Company on behalf of the Selling Shareholders exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 61.*

### Overview

We are the largest diagnostics service provider in terms of number of laboratories and the second largest in terms of revenue from operations in India as of and for the financial year ended March 31, 2023 (*Source: CRISIL Report*). We offer diagnostics testing services (routine and specialized tests), wellness and preventive care packages, hospital laboratory management services and clinical research trial testing services. As of March 31, 2023, we had a network of 413 laboratories out of which 43 laboratories were accredited by National Accreditation Board for Testing and Calibration Laboratories ("NABL"), which according to the CRISIL Report, is the largest network of NABL accredited laboratories in India, as of March 31, 2023. We also have an international presence across the Middle East, Sub-Saharan Africa, Commonwealth of Independent States and the South Asian Association for Regional Cooperation ("SAARC") region. In Fiscal 2023, we performed 39.07 million tests and served 16.62 million patients in India and internationally.

According to the CRISIL Report, the Indian diagnostics services industry has experienced robust growth and is expected to grow at a CAGR of approximately 8-10% between Fiscals 2023 and 2028 to reach ₹1,150-₹1,250 billion in Fiscal 2028. The increasing focus on preventative medicine, increasing incidence of chronic and lifestyle diseases, preference for evidence-based treatment, changing nature of diseases, expansion of organized healthcare and increased use of technology in healthcare are set to drive the growth of the Indian diagnostics services industry (*Source: CRISIL Report*) and create a significant market opportunity for us. Further, the COVID-19 pandemic has altered customer preferences, including expectations in relation to convenience, safety, home services, digital payments and quicker turn-around time ("TAT"). Moreover, while standalone players contributed to 42-46% of the total diagnostics industry in Fiscal 2023, the Indian diagnostics industry has witnessed a shift from standalone centres to diagnostic chains, due to the increasing trend of patients' reliance on diagnostic chains for their quality of service and unavailability of complex tests with standalone centres (not only at the country level but also in regional markets). Diagnostic chains possess better national and international accreditations and scalable business models and cater to a larger set of population through their brand reputation and operational efficiency. These



factors have led to an increase in the share of diagnostic chains to 16-20% of the overall diagnostics industry in Fiscal 2023 from 13-17% in Fiscal 2020. (Source: CRISIL Report)

We have built an extensive diagnostics network spread across 25 states and five union territories in India (covering over 1,000 towns and cities and over 532 districts in India), as of March 31, 2023, which operates on a 'hub-and-spoke' model. As of March 31, 2023, our diagnostics laboratory network comprised one central global reference laboratory ("GRL") at Mumbai in Maharashtra, five regional reference laboratories ("RRLs") and 407 other clinical laboratories (including 403 pathology laboratories and four radiology centers). In addition, we have 25 wellness centers, three Centers of Excellence ("CoEs"), 3,757 customer touch points ("CTPs") (i.e., comprising patient service centers, collection centers and laboratories with walk-in facilities) and over 12,000 pick-up points (i.e., locations from where we collect test samples to cater to institutional customers). Our wellness centers are dedicated towards providing holistic and comprehensive preventive healthcare and wellness services to our customers, while our CoEs are focused on histopathology, transplantation immunology and molecular pathology. We also operate and manage 91 in-hospital laboratories, as of March 31, 2023, for private healthcare providers as well as public health agencies under public-private partnerships ("PPP"). Moreover, our international network comprises a laboratory in Dubai, two laboratories and 17 collection centers in Nepal and over 800 pick-up points spread across the Middle East, Sub-Saharan Africa, Commonwealth of Independent States and the SAARC region, as of March 31, 2023. In addition, our network is supported by our integrated systems, which help to deliver faster TAT, reduce human error, improve overall capital efficiency, enable last-mile connectivity and provide access to a large customer base. Accordingly, we have been able to organically scale in a cost-effective manner with deeper penetration to under-served areas. In Fiscal 2023, our revenue from operations from the north, south, east and west regions of India amounted to ₹4,387.05 million, ₹3,788.05 million, ₹1,863.03 million and ₹3,105.72 million, respectively, accounting for 32.56%, 28.11%, 13.83% and 23.05%, respectively, of our revenue from operations.

We offer a comprehensive range of over 3,600 routine and specialized diagnostics tests as well as wellness packages that cover an extensive range of specialties. According to the CRISIL Report, next-generation diagnostics are gaining popularity in the specialized testing space in India as these advanced technologies enable comprehensive and high-throughput analysis of genetic material, proteins, and other biomarkers, revolutionizing disease diagnosis, treatment selection, and patient care. Within the next-generation diagnostics, genomic sequencing is particularly gaining popularity (Source: CRISIL Report). We continue to be committed to research and development ("R&D") and are focused on genomics and 'next-generation diagnostics'. In Fiscal 2023, we introduced over 200 new tests including niche specialized tests in relation to genomics, molecular pathology for cancer, reproductive medicine, rare diseases and inherited disorders. We also offer a wide range of corporate wellness services and preventive care health packages comprising several pathology and radiology tests as well as home collection services, which helps us in acting as a one-stop solution for diagnostics testing services for patients and further enables us to cross-sell and bundle our offerings.

Our service offerings and network cater to: (i) individual patients, i.e., business-to-consumer ("B2C"), who either walk in to our diagnostics laboratories and collection centers, use our home collection services (which is spread in over 80 cities in India, as of March 31, 2023) through call, email or our digital platforms including our website, WhatsApp chat bot or mobile application; and (ii) institutional customers, i.e., business-to-business ("B2B"), which include physician offices, independent healthcare providers (including large and small-scale private and public sector hospitals, nursing homes, private laboratories, radiology centers and diagnostics centers) whose customers require diagnostics (pathology and/or radiology) services, other institutions (such as corporate employers and insurance companies), clinical laboratories operated and managed by us in hospitals for private healthcare providers and public health agencies through PPPs as well as clinical trials conducted on behalf of contract research organizations and pharmaceutical manufacturers. Over the last three years, our network has grown from 2,250 CTPs, as of March 31, 2021 to 3,757 CTPs as of March 31, 2023, which has augmented our growth in the B2C segment. We benefit from both B2C and B2B segments: the former enhances our brand and customer retention, and the latter gives us access to hospital infrastructure and doctors and higher volumes of tests. In Fiscal 2023, our B2C operations generated ₹7,317.52 million accounting for 54.31% of our revenue from operations, while our B2B segment generated ₹6,157.10 million, accounting for 45.69% of our revenue from operations, resulting in a healthy balance between our B2C and B2B segments.

We follow a customer centric approach by offering an omni-channel experience for patients who can seamlessly avail our pathology and radiology services through our laboratories, mobile application and website. According to the CRISIL Report, we were the first laboratory chain in India to integrate its own laboratory management system with Ayushman Bharat Digital Mission under the National Health Authority in Fiscal 2021. Our centralized laboratory management system, CLIMS, enables us to automate laboratory workflows and manage samples, test results, collection operations and business processes. The services that we provide enable our

customers to book tests, locate the nearest test centers, generate digital test reports and receive service support from the convenience of their homes at a relatively fast turn-around-time.

We recently, in May 2023, undertook a brand transformation journey by rebranding ourselves as *Agilus Diagnostics* from our former brand name with the aim of continuing to build upon our over 28 years of expertise and experience of delivering quality diagnostics care. ‘*Agilus*’ is a portmanteau of ‘*Agile*’ and ‘*Us*’ and is inspired from the Latin term ‘*agilis*’ which means agility. Our new brand is in consonance with our commitment to deliver quality diagnostics services with speed and accuracy. Our laboratories were the first in India to receive accreditations from authorities such as NABL and College of American Pathologists (“**CAP**”) (*Source: CRISIL Report*). We have also been consistently recognized for delivering quality diagnostics services including the “Best Brand in Diagnostic Services in Pathology and Radiology” award by the Economic Times in Fiscal 2019, the “Excellence in Pan India Diagnostics (Pathology)” award at the Businessworld Healthcare Excellence Awards 2022, the “Patient Centricity for Diagnostic Labs” award at the IHW Patient First Awards 2022 and the “Driving Healthcare Innovation” award by CII Institute of Logistics at the Supply Chain and Logistics Excellence Awards 2021.

We benefit from the reputation, track record, in-depth understanding and experience of our Promoter, Fortis Healthcare Limited (“**Fortis**”) in the healthcare industry. We are led by our Managing Director & Chief Executive Officer, Anand Kuppaswamy, who is supported by a Board of Directors with diverse backgrounds, and qualified and experienced management, and medical and scientific teams. As of March 31, 2023, we had a full-time medical and scientific staff of 4,614 personnel comprising, among others, pathologists, radiologists and scientists as well as paramedical staff.

### **Significant Factors Affecting our Financial Condition and Results of Operations**

#### ***Transition to and establishment of our new brand***

We have, recently in May 2023, changed our brand to ‘*Agilus Diagnostics*’. Our results of operations and financial performance will be affected by our ability to successfully transition to and establish our new brand. The change in our brand may subject us to various challenges such as alienation of customers who were loyal to our previous brand name and confusion among potential customers who may be unfamiliar with our new brand name and who may therefore choose our competitors over us. This may decrease the sale of our service offerings. We may also be unable to retain existing, and attract new, healthcare personnel including pathologists, radiologists, scientists and doctors, and our industry peers may exploit our new positioning which may affect, among others, our market share and pricing. We may also be exposed to legal and regulatory risks including trademark infringement claims, domain name disputes or consumer protection violations. Further, we have certain legal proceedings in relation to our transition to the new brand name that are pending before the Delhi High Court and any adverse outcome may restrict our ability to use and leverage our new brand name. For further information, see “*Risk Factors – Internal Risks - We recently changed our brand which led to certain legal proceedings that are currently pending before the Delhi High Court. Any unfavorable outcome may have an adverse effect on our business, reputation, results of operations and financial condition.*” on page 36. In addition, in order to increase our brand awareness and depending on the market requirements, we may have to increase our spending towards marketing for the implementation and promotion of our new brand.

#### ***Number of patients served and tests conducted***

Our revenue from operations significantly depends on how many patients we serve and how many pathology and radiology tests we perform. Set forth below are details of the number of patients served and tests conducted for the years indicated:

Particulars	Fiscal		
	2021	2022	2023
	(million)		
Number of patients served	11.03	21.40	16.62
Number of tests performed	23.53	44.18	39.07

The number of patients that we serve and diagnostic tests we perform are dependent on our ability to maintain and improve our brand image, which in turn depends on several factors such as the quality and efficiency of our clinical laboratory tests and profiles, turnaround time, patient satisfaction, the performance of our diagnostic network, the introduction of new tests and services and our ability to maintain strong relationships with doctors, other healthcare professionals and suppliers. For example, the number of patients served, and the number of tests

conducted decreased in Fiscal 2023 compared to Fiscal 2022 due to a decrease in demand for RT-PCR tests and other COVID-19 related tests. Our success also depends our ability to invest in technologies for developing new tests and improving existing tests. The diagnostics industry in India is also highly competitive, and it is challenging to improve our market share and profitability. Consequently, our ability to grow our revenues also depends on our ability to compete successfully and attract new patients.

#### ***Cost of testing equipment, reagents, chemicals and consumables***

The growth of our diagnostics network and an increase in the number of tests performed, subject us to a consequent increase in our costs of material consumed, which include reagents, chemicals and other consumables used in our diagnostic healthcare service and tests. Costs of materials consumed in Fiscals 2021, 2022 and 2023 has been one of our major expenses. Our cost of materials consumed as percentage of total income is affected by various factors including repricing of supplier contracts for reagents, initiatives for improving operational efficiencies and increased economies of scale of our operations. Set forth below are details of expenses incurred towards cost of materials consumed for the years indicated:

	Fiscal					
	2021		2022		2023	
	(₹ million)	% of total expenses	(₹ million)	% of total expenses	(₹ million)	% of total expenses
Cost of materials consumed	2,876.20	31.13%	3,991.36	30.96%	3,159.79	26.05%

As we continue to expand our operations and test portfolio, we would need to procure additional volumes of medical consumables. We depend on third party suppliers to obtain our reagents, chemicals and consumables as well as testing equipment. We are dependent on certain suppliers for the supply of imported reagent kits. In addition, our profit margins are dependent on our ability to negotiate the supply costs with our suppliers and achieve optimal pricing. Further, our procurement cost of foreign produced testing equipment, reagents, chemicals or consumables may increase due to several factors including depreciation of the Indian Rupee, and our suppliers may therefore demand to re-negotiate the supply agreements with us. In the event of an increase in the price of such items, we may not be able to pass on any cost increases to our customers by implementing a corresponding increase in the price of our test offerings.

#### ***Impact of COVID-19 and other similar periods of disease outbreaks***

The diagnostics industry is severely impacted due to periods of disease outbreaks and our revenues and results of operations have fluctuated in the past and may continue to fluctuate significantly due to disease outbreaks. For instance, the COVID-19 pandemic led to an increase in RT-PCR tests, which in turn led to an increased demand for COVID-19 related high-end diagnostics services in Fiscals 2021 and 2022. We also increased our testing capacity, opened more test centers and wellness centers, expanded our home specimen collection services and added more CTPs to address such increased diagnostic requirements. However, in Fiscal 2023, the prevalence and incidence of COVID-19 infections decreased. As a result, we faced a significant decline in the volume of RT-PCR tests and other COVID-19 related tests. Set forth below are details of the number of COVID-19 and non-COVID-19 tests conducted and revenue generated for the years indicated:

Particulars	Fiscal		
	2021	2022	2023
	(million)		
<b>COVID-19 related (i.e., revenue generated from RT-PCR tests and other COVID-19 related tests)</b>			
Number of RT-PCR tests and other COVID-19 related tests	2.95	7.90	1.59
COVID-19 related revenue (₹ million)	3,239.18	4,527.28	587.36
COVID-19 related revenue as a % of revenue from operations (%)	31.29%	28.21%	4.36%
<b>Non-COVID-19 related (i.e., revenue generated from other than RT-PCR tests and other COVID-19 related tests, which is revenue generated our operations comprising primarily diagnostic testing in the field of pathology and radiology)</b>			
Number of non-COVID-19 related tests	20.58	36.28	37.48
Non-COVID-19 related revenue (₹ million)	7,051.84	11,433.40	12,839.94
Non-COVID-19 related revenue as a % of revenue from operations (%)	68.13%	71.24%	95.29%

In addition, diagnostic healthcare testing volumes typically increase during the monsoon season, when there is a greater prevalence of malaria and dengue, as well as gastrointestinal and respiratory diseases. The increased prevalence of a particular virus or other pathogen in the general population often causes an increased demand for specific diagnostic healthcare testing for that virus. However, certain of our expenses are less impacted by

fluctuations in demand, as a significant portion of our costs and expenses such as lease rentals and employee benefits expense are fixed, unlike our costs of reagents, chemicals and consumables. We expect that such seasonal fluctuations will continue to affect our results of operations in the future.

***Expansion of our network and the cycle of opening laboratories and new CTPs***

Our results of operations depend on the effectiveness of the geographic reach of our network. As of March 31, 2023, we had presence in 25 states and five union territories covering over 1,000 towns and cities and 532 districts in India as well as in the Middle East, Sub-Saharan Africa, Commonwealth of Independent States and the SAARC region. We are the largest diagnostics companies in India in terms of number of laboratories as of March 31, 2023 (Source: CRISIL Report). Our network of CTPs have also increased significantly from 2,250 CTPs as of March 31, 2021 to 3,757 CTPs as of March 31, 2023. Our ability to maintain and expand our network of laboratories, collection centers and other points of presence in a cost effective and efficient manner has had, and we expect will continue to have an impact, on our financial performance and results of operation.

Moreover, our results of operations and financial condition are affected by the cycle of opening and developing new clinical laboratories and CTPs. This cycle involves opening new clinical laboratories, and CTPs, in locations in which we already operate, or in new locations, and optimizing collection centers that join us as franchisees. We conduct various studies to determine the optimal location for a new clinical laboratory or CTP before opening one. Our criteria include the size of the potential market in the region, the availability of appropriate real estate, our brand development potential with the area’s healthcare providers, and the speed of obtaining the required operating licenses and permits. Constructing clinical labs involves significant capital investment, both while they are under construction and when they are newly opened and not fully integrated with our network or operating at full capacity. The time taken to open a clinical laboratory or CTP and the gestation period which follows the opening of such a facility vary depending on a number of factors, including the particular geographic area and customer awareness of our brand in that area, such that a meaningful quantum of time may be required before a new facility achieves operating efficiencies comparable to that of facilities already within our network. This gestation period can result in a divergence between the future revenue-production of a new clinical laboratory or CTP and the current expenses, such as rent and employee-related expenses, which is being incurred in connection with its opening, thereby affecting our profit margins and profitability generally. Going forward, we believe that our strategy to expand our network of laboratories and CTPs may augment the impact of this gestation period-divergence on our results of operations and financial condition.

***Introduction of new tests***

We believe that a key factor to succeed and to sustain and strengthen our business will be our ability to innovate and develop improvements to existing tests and to create and introduce new tests that will meet or create demands which are not presently being satisfied by available tests, thereby expanding the range and scope of our services to our customers. We offer over 3,600 tests, as of March 31, 2023, comprising a wide range of routine and specialized diagnostics tests as well as corporate and personalised wellness services and preventive care health packages comprising both pathology and radiology tests. In Fiscal 2023, we introduced over 200 new tests including niche specialized tests in relation to genomics, molecular pathology for cancer, reproductive medicine, rare diseases and inherited disorders. An increased number of tests will allow us to process our specimens with more efficient utilisation of our laboratories and personnel and at lower costs, which in turn could offer us greater economies of scale.

***Revenue mix between B2C and B2B***

Our results of operations and financial performance are affected by the customer mix serviced by us. According to the CRISIL Report, in the diagnostics services industry, the B2C segment provides higher brand visibility with repeat customer relationships, while the B2B segment provides access to hospital infrastructure including an established doctor network and higher volumes of tests. Set out below is the revenue from operations by customer segment for the years indicated:

Segment	Fiscal					
	2021		2022		2023	
	Revenue from operations (₹ million)	% of total revenue from operations	Revenue from operations (₹ million)	% of total revenue from operations	Revenue from operations (₹ million)	% of total revenue from operations
B2C	5,025.12	48.55%	8,759.24	54.58%	7,317.52	54.31%

Segment	Fiscal					
	2021		2022		2023	
	Revenue from operations (₹ million)	% of total revenue from operations	Revenue from operations (₹ million)	% of total revenue from operations	Revenue from operations (₹ million)	% of total revenue from operations
B2B	5,325.61	51.45%	7,289.87	45.42%	6,157.10	45.69%
Total	10,350.73	100.00%	16,049.11	100.00%	13,474.62	100.00%

Our B2C customers comprise individual patients that either walk in to our diagnostics laboratories or CTPs, use our home collection services or avail our services through our digital platforms. Our B2B customers comprise institutional customers such as hospitals, nursing homes, private laboratories, collection centers, insurance companies and corporate employers, with whom we enter into arrangements. For instance, we have entered into laboratory management agreements with certain private customers (including our Promoter, Fortis, for whom we operate 24 in-hospital laboratories, as of March 31, 2023) and PPP agreements with government agencies for whom we, among others, conduct testing services and/or operate diagnostic centers (such as governments of Delhi and Jharkhand).

Our business depends on our ability to successfully obtain payments from our customers for services provided. While our B2C customers typically make payments at the time of test bookings, our B2B customers make payments in accordance with their respective contractual requirements. Further, in relation to our B2B segment, if we are unable to meet our contractual requirements, we may experience delays in collection of and/or be unable to collect our payments altogether on account of termination of such contracts.

#### **Master service agreement with our Promoter**

Our Company has entered into a master service agreement with our Promoter, Fortis, pursuant to which we operate in-hospital laboratories and conduct on-site testing for our Promoter and its affiliates. Pursuant to this agreement we provide pathology and diagnostic services at certain hospitals operated by our Promoter and its affiliates, and in return are entitled to a monthly consideration based on agreed rates linked to the net revenue generated by the laboratories. This agreement may be terminated by either party unilaterally in the event of, amongst others, a material breach of the provisions of the agreement, or upon mutual consent of the parties. Set out below are details of revenue generated from operating in-hospital laboratories at hospitals operated by our Promoter and its affiliates for the years indicated:

Particulars	Fiscal					
	2021		2022		2023	
	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations
Revenue from Fortis Group Entities	1,287.85	12.44%	1,516.84	9.45%	1,622.37	12.04%

The Master Service Agreement is valid until March 31, 2024. Our Company and our Promoter have executed a binding term sheet dated September 25, 2023 for operating in-hospital laboratories and conducting on-site testing at certain hospitals operated by our Promoter and its affiliates. In this regard, see “*Risk Factors – Internal Risks - We have entered into a master service agreement with our Promoter and certain other letters/agreements with our Promoter and its affiliates in respect of providing certain laboratory management services to them and are dependent on them for a portion of our revenues. Any non-performance, non-renewal/ revision, substantial change in the agreed rates or termination of such agreements may adversely affect our business, results of operations and financial condition.*” on page 44.

#### **New acquisitions and franchise opportunities**

We plan to selectively enhance our business from time to time through strategic acquisitions, franchising, joint ventures and other alliances. However, these plans are subject to the availability of appropriate opportunities and competition from other companies seeking similar opportunities. Moreover, the success of any such effort may be affected by a number of factors, including our ability to properly assess and value the potential business opportunity, and to integrate it into our business. The success of our plans depends not only on our contributions and capabilities, but also on the property, resources, efforts and skills contributed by any counterparty or partner.

## ***Competition***

Our success is dependent on our ability to compete effectively with other players in the diagnostics industry providing similar services to ours. Our competition includes other diagnostic chains, such as, Dr Lal PathLabs Limited, Metropolis Healthcare Limited, (*Source: CRISIL Report*) and various smaller, independent clinical and anatomical laboratories as well as laboratories owned by hospitals and physicians including standalone and regional players. Some of our competitors may have greater financial, research and development, marketing and other resources, broader service offerings, more experience in obtaining regulatory approvals or greater geographic reach. Our competitors may also succeed in offering increased fees/salaries to our healthcare professionals, including doctors, which may significantly affect our ability to retain our healthcare professionals and provide our services to patients.

## ***Changes in government regulations and policies***

Our operations are subject to extensive government regulations including in relation to obtaining and renewing approvals, accreditations, licenses and registrations, qualifications and practice of our healthcare professionals including our doctors, pricing regulations and other health and safety laws and regulations in India and other jurisdictions in which we operate. Such regulations could change at any time, with little or no warning or time for us to prepare. For instance, the prices that we charge for our services could become subject to recommended or maximum fees set by the Government or other authorities. The Government could introduce “price lists” for services that could be mandatory or, even if not mandatory, result in guidance for the prices we charge for our diagnostic healthcare services. The implementation of such or other policies affecting the prices we charge could, in effect, limit our ability to charge patients higher prices for our services. Any failure or non-compliance to adequately monitor compliance may also subject us to fines or penalties and our licenses may get suspended.

## ***Critical Accounting Policies***

### **Summary of Significant Accounting Policies**

#### **Principles of consolidation**

##### **A. Business combinations**

Business combinations (other than business combinations between common control entities) are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the consideration transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. The consideration transferred does not include amounts related to the settlement of pre-existing relationships; such amounts are generally recognised in the Statements of Profit or Loss. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business combination are expensed as incurred. The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved, and they appear in the financial statements of the Group in the same form in which they appeared in the financial statement of the acquired entity. The differences, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve (if credit) or revenue reserves (if debit) and if there are no reserves or inadequate reserves, to an amalgamation deficit reserve (if debit), with disclosure of its nature and purpose in the notes to the financial statements.

## **B. Property, plant and equipment (PPE) and intangible assets**

### ***Property, plant and equipment***

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment loss. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

### **Transition to Ind AS**

The cost of property, plant and equipment at 1 April 2015, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

### ***Goodwill and other intangible assets***

- (a) For measurement of goodwill that arises from business combination, refer to accounting policy thereon above. Subsequent measurement is at cost less any accumulated impairment losses.
- (b) Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:
  - Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.
  - Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of Property, plant and equipment). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.
  - Intangible assets that are acquired (including goodwill recognized for business combinations) are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortization (for finite lives intangible assets) and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

### **Transition to Ind AS**

- (c) The cost of Intangible assets at 1 April 2015, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition

to Ind AS.

***Depreciation and amortization methods, estimated useful lives and residual value***

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets less their estimated residual values for cost of Property, plant and equipment as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for certain classes of Property, plant and equipment which are depreciated based on the internal technical assessment of the management.

The details of useful life are as under:

Category of assets	Management's estimate of useful life	Useful life as per Schedule II
Plant and Machinery		
- Laboratory equipment- Pathology	13 years	13 years
- Laboratory equipment- Imaging	10 years	13 years
Building – RCC Frame structure	60 years	60 years
Office equipment	5 years	5 years
Furniture and fittings	10 years	10 years
Furniture and fittings- signage	5 years	10 years
Vehicles	10 years	13 years
Computers and accessories	60 years	60 years
Air conditioners	5 years	5 years

Freehold land is not depreciated. Depreciation on leasehold improvements is provided over the lease term or 5 years (which is the expected useful life), whichever is shorter.

Estimated useful lives of the other intangible assets are as follows:

Category of assets	Management's estimate of useful life
Software	3 years
Assay developed	5 years
Trademarks (Refer Note - 50A)	Indefinite
Trademark and Non-Compete	3-10 years
Customer relationships	15 years

Depreciation and amortization on property, plant and equipment and intangible assets added/ disposed off during the year has been provided on pro-rata basis with reference to the date of addition/ disposal. Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

***Derecognition***

Property, plant and equipment and intangible assets are derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible 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.

**C. Impairment of non-financial assets**

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or



groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognized in prior periods, the Group reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### **D. Financial instrument**

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### *Financial assets*

##### Initial recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

All financial assets (except trade receivable without a significant financing component) are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. A trade receivable without a significant financing component is initially measured at the transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as measured at:

- (a) Amortised cost
- (b) Fair value through other comprehensive income (FVOCI)
- (c) Fair value through profit or loss (FVTPL)
- (d) Equity instruments measured at fair value through other comprehensive income (FVOCI)

##### Financial assets at amortised cost

A 'Financial asset' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and 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 amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised 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 amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

### Financial assets at FVOCI

A 'Financial asset' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVOCI financial asset is reported as interest income using the EIR method.

### Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL. In addition, at initial recognition, the Group may irrevocably elect to designate a financial asset, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

### Equity investments

Equity investments in jointly controlled entities are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in such entities, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

All other equity investments which are in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments in scope of Ind AS 109, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss to retained earnings. This decision is made on an investment-by-investment basis.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

### Impairment of financial assets

The Group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI.

#### Write off of financial assets

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off.

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

#### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's Restated Consolidated Statement of assets and liabilities) when:

- (a) The rights to receive cash flows from the asset have expired, or
- (b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

#### Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

#### Derecognition of financial liabilities

A financial liability is derecognised 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 recognised in the Statement of Profit and Loss.

#### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Restated Consolidated Statement of assets and liabilities when, and only when, the Group currently has a legally enforceable right to set

off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### **E. Inventories**

Inventories are valued at lower of cost or net realisable value except scrap, which is valued at net estimated realisable value. The Group uses weighted average method to determine cost for all categories of inventories except for goods in transit which is valued at specifically identified purchase cost. Cost includes all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

#### **F. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of statement of cash flows, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

#### **G. Contingent liabilities and contingent assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the 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 its existence in the Restated Consolidated Financial Information unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

#### **H. Provisions**

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

## **I. Revenue recognition**

Revenue primarily comprises medical testing charges. Medical testing charges consists of fees received for various tests conducted in the field of pathology and radiology.

Contracts with customers could include promises to transfer multiple services to a customer. The Group assesses the services promised in a contract and identifies distinct performance obligation in the contract. Revenue for each distinct performance obligation is measured at an amount that reflects the consideration which the Group expects to receive in exchange for those services and is net of tax collected from customers and remitted to government authorities and applicable discounts and allowances including claims.

Revenue from Medical tests is recognized when the reports are generated and released to customers, net of discounts, if any.

Revenue is measured based on the consideration specified in a contract with a customer. Revenue is recognised at a point in time when the Group satisfies performance obligations by transferring the promised services to its customers. Generally, each test represents a separate performance obligation for which revenue is recognised when the test report is generated i.e. when the performance obligation is satisfied. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for a test when registered separately is the best evidence of its standalone selling price. Any revenue transaction for which the Group has acted as an agent without assuming the risks and rewards of ownership have been reported on a net basis.

Excess of revenue recognised over billings on contracts is recorded in books as unbilled revenue. Unbilled revenue is classified as trade receivables when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Contract liabilities include deferred revenue. Deferred revenue is recognised as other current liability when there is billings in excess of revenue.

Loyalty program liability represents the liability of the Group towards the points earned by the members, which entitle customers to discount on future purchase of services. The Group allocates a portion of the consideration received to loyalty points. The Group estimates the fair value of points awarded under the loyalty program by applying statistical techniques. Inputs to the model include making assumptions about expected redemption rate basis the Group's historic trends of redemption and expiry period of the points and such estimates are subject to significant uncertainty. The amount allocated to the loyalty programme is deferred and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote.

Other operating revenue comprises management fees which is recognised over time, in accordance with the terms of the relevant agreements, as and when services are rendered.

## **J. Employee benefits**

### Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

### Post-employment benefits

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

#### (a) Gratuity:

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of

employment. The liability in respect of gratuity is recognised in the books of account based on actuarial valuation by an independent actuary. The gratuity liability for employees of a subsidiary company in the Group is funded with Life Insurance Corporation of India and Axis Bank.

(b) Provident fund:

- The Group's contribution to provident fund is treated as defined contribution plan under which an entity pays fixed contributions to government administered fund and will have no legal or constructive obligation to pay further amounts.
- The Group's contribution to the provident fund is charged to Statement of Profit and Loss in the periods during which the related services are rendered by employees.

#### Other long-term employee benefits:

As per the Group's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service or encashed. Encashment can be made on retirement including early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits.

Termination benefits are recognised as an expense when, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### Actuarial valuation

The liability in respect of all defined benefit plans and other long-term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses on other long-term benefits are recognised in the Statement of Profit and Loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are recognised immediately in the Statement of Changes in equity with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit or Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced). Net interest expense is recognised as finance cost, and other expenses related to defined benefit plans are recognised as employee benefit expenses, in the statement of profit and loss.

#### **K. Share-based payments**

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Group is recognized as an employee expense with a corresponding increase in equity over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share-based payment transaction is presented as a separate component in equity under "share option outstanding

account". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

Corresponding balance of a share-based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee.

#### **L. Finance costs**

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. General and specific borrowing costs that are directly attributable to the construction or production or development of a qualifying asset are capitalized as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other finance costs are expensed in the period in which they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalization. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

#### **M. Income tax**

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

##### Current taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

##### Deferred taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- (a) temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- (b) temporary differences related to investments in subsidiaries, or joint ventures, to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (c) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at

the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

## **N. Leases**

### As a lessee

The Group accounts for assets taken under lease arrangement in the following manner:

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### *Short-term leases and leases of low-value assets*

The Group has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight- line basis over the lease term.

### As a lessor

The Group accounts for assets given under lease arrangement in the following manner:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Assets subject to operating leases are included in Property, Plant and Equipment. Rental income on operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised on a straight line basis over the lease term.

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.



## **O. Foreign currency translation**

### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date exchange rates are generally recognised in Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

### Foreign operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Equity share capital and opening other equity are carried at historical cost.
- (b) All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using closing rates at Balance Sheet date.
- (c) Profit and Loss items are translated at the respective average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction.
- (d) All resulting exchange differences are recognised in Other Comprehensive Income.

When a foreign operation is sold, the associated cumulative exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

The items of Restated Consolidated Statement of Cash Flows are translated at the respective average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction. The impact of changes in exchange rate on cash and cash equivalent held in foreign currency is included in effect of exchange rate changes.

## **P. Statement of cash flows**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

The cash flows from operating, investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

## **Q. Operating segments**

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") who is responsible for allocating resources and assessing performance of the operating segments. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

## **R. Recognition of Dividend Income, Interest income or expense**

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset; or the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

## **S. Exceptional items**

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group. Such income or expense is classified as an exceptional item and accordingly, disclosed in the Restated Consolidated Financial Information.

### ***Principal Components of our Statement of Profit and Loss***

The following descriptions set forth information with respect to the key components of our profit and loss statement.

#### ***Income***

*Revenue from Operations:* Revenue from operations primarily comprises sales from services, which consists of medical testing charges, i.e. fees received for various tests conducted in the field of pathology and radiology, to individual and institutional customers. In addition, revenue from operations also comprises other operating revenues, which primarily includes management fees, i.e. fees from in-hospital labs, and liabilities no longer required to be written back.

*Other income:* Other income primarily includes interest income earned on financial assets such as bank deposits, loans to fellow subsidiaries and security deposits, gain on disposal of property, plant and equipment (net), gain on termination of lease and exchange differences (net).

#### ***Expense***

*Costs of materials consumed:* Costs of materials consumed primarily reflect the purchase of reagents, chemicals and consumables. These primarily comprise medical supplies, supplies used in specimen collection and other consumables used in the testing process.

*Cost of tests outsourced:* Cost of tests outsourced includes expenses incurred towards outsourcing certain tests to other laboratories.

*Employee benefits expense:* Employee benefits expense primarily consists of salaries and wages, stock option granted to employees pursuant to ESOP 2009 and ESOP 2013, contribution to provident and other funds, gratuity expense and staff welfare expenses.

*Finance costs:* Finance costs primarily consist of interest expense on lease liability, deferred purchase consideration/liability towards intangibles and net defined benefit obligation, and bank charges.

*Depreciation and amortization expense:* Depreciation and amortization expense primarily relates to depreciation on property, plant and equipment (such as medical and laboratory equipment that we purchased for our business) and amortization of intangible assets (such as goodwill, software and trademarks).

*Other expenses:* Other expenses primarily comprises professional fees to doctors, legal and professional fees, advertisement and sales promotion charges, advertisement and sales promotion charges, rent and hire charges, fees to collection centers, power and fuel charges and repairs and maintenance charges of plant and machinery.

### Results of Operations

The following table sets forth selected financial data from our restated consolidated summary statement of profit and loss for Fiscals 2021, 2022 and 2023, the components of which are expressed as a percentage of total income for such years.

	Fiscal					
	2021		2022		2023	
	(₹ million)	% of total income	(₹ million)	% of total income	(₹ million)	% of total income
<b>Income</b>						
Revenue from Operations	10,350.73	97.58%	16,049.11	99.17%	13,474.62	98.28%
Other income	256.21	2.42%	134.36	0.83%	236.40	1.72%
<b>Total income</b>	<b>10,606.94</b>	<b>100.00%</b>	<b>16,183.47</b>	<b>100.00%</b>	<b>13,711.02</b>	<b>100.00%</b>
<b>Expenses</b>						
Cost of materials consumed	2,876.20	27.12%	3,991.36	24.66%	3,159.79	23.05%
Cost of tests outsourced	121.24	1.14%	145.53	0.90%	169.78	1.24%
Employee benefits expense	2,434.95	22.96%	3,072.57	18.99%	3,078.82	22.46%
Finance costs	117.93	1.11%	157.64	0.97%	154.51	1.13%
Depreciation and amortisation expense	520.65	4.91%	802.77	4.96%	889.70	6.49%
Other expenses	3,168.21	29.87%	4,720.52	29.17%	4,676.48	34.11%
<b>Total expenses</b>	<b>9,239.18</b>	<b>87.11%</b>	<b>12,890.39</b>	<b>79.65%</b>	<b>12,129.07</b>	<b>88.46%</b>
<b>Restated profit before share of profit of equity accounted investees, exceptional items and tax</b>	<b>1,367.76</b>	<b>12.89%</b>	<b>3,293.08</b>	<b>20.35%</b>	<b>1,581.95</b>	<b>11.54%</b>
Share of profit of equity accounted investees (net of income tax)	435.7	4.11%	9.03	0.06%	0.10	0.00%
<b>Restated profit before exceptional items and tax</b>	<b>1,803.46</b>	<b>17.00%</b>	<b>3,302.11</b>	<b>20.40%</b>	<b>1,582.05</b>	<b>11.54%</b>
Exceptional items	-	0.00%	3,061.43	18.92%	-	0.00%
<b>Restated profit before tax</b>	<b>1,803.46</b>	<b>17.00%</b>	<b>6,363.54</b>	<b>39.32%</b>	<b>1,582.05</b>	<b>11.54%</b>
<b>Tax expense</b>						
Current tax	407.84	3.85%	967.12	5.98%	431.80	3.15%
Deferred tax charge/ (credit)	83.17	0.78%	(150.66)	(0.93)%	(16.11)	(0.12)%
<b>Total tax expense</b>	<b>491.01</b>	<b>4.63%</b>	<b>816.46</b>	<b>5.05%</b>	<b>415.69</b>	<b>3.03%</b>
<b>Restated profit for the year</b>	<b>1,312.45</b>	<b>12.37%</b>	<b>5,547.08</b>	<b>34.28%</b>	<b>1,166.36</b>	<b>8.51%</b>

### Fiscal 2023 compared to Fiscal 2022

#### Key Developments

- In Fiscal 2023, the prevalence and incidence of COVID-19 infections decreased which reduced the demand for diagnostic testing. This caused a significant decrease in the revenue generated from RT-PCR tests and other COVID-19 related tests, which adversely affected our financial performance in Fiscal 2023. In comparison, in Fiscal 2022, we had experienced a significant demand for and consequently, generated a significant amount of our revenue from operations from RT-PCR tests and other COVID-19 related tests. Accordingly, our results of operations and financial condition as of and for the financial year ended March 31, 2023 may not be strictly comparable to our results of operations and financial condition as of and for the financial year ended March 31, 2022.

**Total Income.** Our total income decreased by 15.28% from ₹16,183.47 million in Fiscal 2022 to ₹13,711.02 million in Fiscal 2023 primarily due to the reasons discussed below.

**Revenue from operations.** Our revenue from operations decreased by 16.04% from ₹16,049.11 million in Fiscal 2022 to ₹13,474.62 million in Fiscal 2023 primarily due to the decrease in COVID-19 related revenue (i.e.,

revenue generated from RT-PCR tests and other COVID-19 related tests) on account of decline in the proportion and frequency of COVID-19 infections. We conducted 7.90 million RT-PCR tests and other COVID-19 related tests in Fiscal 2022 compared to 1.59 million RT-PCR tests and other COVID-19 related tests in Fiscal 2023. Our COVID-19 related revenue decreased by 87.03% from ₹4,527.28 million in Fiscal 2022 to ₹587.36 million in Fiscal 2023. As a percentage of revenue from operations, COVID-19 related revenue decreased from 28.21% in Fiscal 2022 to 4.36% in Fiscal 2023. However, non-COVID-19 related revenue (i.e., revenue generated from other than RT-PCR tests and other COVID-19 related tests, which is revenue generated our operations comprising primarily diagnostic testing in the field of pathology and radiology) increased by 12.30% from ₹11,433.40 million in Fiscal 2022 to ₹12,839.94 million in Fiscal 2023 primarily due to an increase in the number of non-COVID-19 patients and tests we collected and processed as well as the mix of services provided. We conducted and processed 37.48 million non-COVID-19 tests in Fiscal 2023 compared to 36.28 million non-COVID-19 tests in Fiscal 2022. The increase in the number of non-COVID-19 patients served and tests collected and processed was primarily driven by our overall growth, including on account of additional revenue generated from certain laboratories and CTPs that were opened during Fiscal 2023. In addition, the mix of services sold also led to an increase in non-COVID-19 related revenue as certain tests and packages included fewer discounted panels, and there was increased demand for specialized tests and wellness packages, which typically enjoy better revenue realization per patient. Further, we have also entered into a PPP agreement with the Government of Delhi.

The following table sets forth revenue by sales channel under Ind AS 115 for the year indicated:

Particulars	Fiscal				Year-on-Year growth (%) <sup>(1)</sup>
	2022		2023		
	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations	
Owned labs	12,132.76	75.60%	10,477.61	77.76%	(13.64)%
Collection centers	3,554.06	22.14%	2,599.02	19.29%	(26.87)%
Franchisees	188.88	1.18%	246.92	1.83%	30.73%
<b>Total</b>	<b>15,875.70</b>	<b>98.92%</b>	<b>13,323.55</b>	<b>98.88%</b>	<b>(16.08)%</b>

Note: (1) Year-on-year growth (%) – (Amount pertaining to the current financial year less corresponding amounts in the immediately preceding financial year) divided by corresponding amounts in the immediately preceding financial year.

The following table sets forth revenue from operations by geography under Ind AS 108 for the periods indicated:

Particulars	Fiscal				Year-on-Year growth (%) <sup>(1)</sup>
	2022		2023		
	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations	
India (A)	15,384.13	95.86%	13,019.62	96.62%	(15.37)%
Other countries					
United Arab Emirates	378.03	2.36%	144.14	1.07%	(61.87)%
Kenya	30.53	0.19%	42.17	0.31%	38.13%
Maldives	58.77	0.37%	99.09	0.74%	68.60%
Nigeria	3.08	0.02%	4.48	0.03%	45.45%
Sri Lanka	7.60	0.05%	6.00	0.04%	(21.05)%
Ethiopia	8.12	0.05%	4.68	0.03%	(42.36)%
Others	5.44	0.03%	3.37	0.03%	(38.05)%
Total other countries (B)	491.57	3.06%	303.93	2.26%	(38.17)%
<b>Total (C=A+B)</b>	<b>15,875.70</b>	<b>98.92%</b>	<b>13,323.55</b>	<b>98.88%</b>	<b>(16.08)%</b>

Note: (1) Year-on-year growth (%) – (Amount pertaining to the current financial year less corresponding amounts in the immediately preceding financial year) divided by corresponding amounts in the immediately preceding financial year.

In addition, other operating revenues decreased by 12.88% from ₹173.41 million in Fiscal 2022 to ₹151.07 million in Fiscal 2023, due to a decrease in liabilities/ provisions no longer required written back by 46.49% from ₹88.43 million in Fiscal 2022 to ₹47.32 million in Fiscal 2023 primarily on account of reversal of the value added tax liability of Agilus Diagnostics FZ LLC, Dubai in Fiscal 2022, on account of a reduction of liability which was provided in the previous years.

*Other income.* Other income increased by 75.95% from ₹134.36 million in Fiscal 2022 to ₹236.4 million in Fiscal 2023, primarily due to an increase in interest income earned on bank deposits by 43.56% from ₹96.02 million in Fiscal 2022 to ₹137.85 million in Fiscal 2023 on account of increase in term deposits. We also had a gain on

disposal of property, plant and equipment (net) of ₹32.95 million in Fiscal 2023 compared to nil in Fiscal 2022 primarily on account of sale of certain outdated medical equipment. In addition, we also had a gain on termination of lease of ₹18.25 million in Fiscal 2023 compared to nil in Fiscal 2022 due to closure of certain laboratories primarily involved in providing RT-PCR and other COVID-19 tests.

**Expenses.** Total expenses decreased by 5.90% from ₹12,890.39 million in Fiscal 2022 to ₹12,129.07 million in Fiscal 2023.

*Cost of materials consumed.* Cost of materials consumed decreased by 20.83% from ₹3,991.36 million in Fiscal 2022 to ₹3,159.79 million in Fiscal 2023. This decrease was on account of expenses incurred to purchase lesser volumes of raw materials in line with the decrease in RT-PCR tests and other COVID-19 related tests.

*Cost of tests outsourced.* Cost of tests outsourced increased by 16.66% from ₹145.53 million in Fiscal 2022 to ₹169.78 million in Fiscal 2023 primarily on account of increase in specialized testing, such as genomics related testing.

*Employee benefits expense.* Employee benefits expense marginally increased by 0.20% from ₹3,072.57 million in Fiscal 2022 to ₹3,078.82 million in Fiscal 2023 primarily on account of annual increments. Contribution to provident and other funds increased by 9.17% from ₹166.47 million in Fiscal 2022 to ₹181.74 million in Fiscal 2023.

*Finance costs.* Finance costs marginally decreased by 1.98% from ₹157.64 million in Fiscal 2022 to ₹154.51 million in Fiscal 2023 primarily due to a decrease in bank charges by 35.83% from ₹34.86 million in Fiscal 2022 to ₹22.37 million in Fiscal 2023 primarily on account of a decrease in walk-in patients and home collection services who majorly pay through cards and other digital modes, due to a decrease in the number of COVID-19 cases. This decrease was offset by an increase in interest expense on lease liability by 10.77% from ₹80.02 million in Fiscal 2022 to ₹88.64 million in Fiscal 2023 primarily on account of opening of new laboratories in Fiscal 2023.

*Depreciation and amortisation expense.* Depreciation and amortisation expense increased by 10.83% from ₹802.77 million in Fiscal 2022 to ₹889.70 million in Fiscal 2023 primarily on account of an increase in amortisation of intangible assets by 77.41% from ₹152.86 million in Fiscal 2022 to ₹271.19 million in Fiscal 2023 primarily on account of increase in non-compete agreements with pathologists and doctors, which also includes use of their registered trademarks. This increase was offset by a decrease in depreciation of property, plant and equipment by 15.83% from ₹387.12 million in Fiscal 2022 to ₹325.85 million in Fiscal 2023 primarily on account of disposal of certain outdated medical equipment.

*Other expenses.* Other expenses decreased by 0.93% from ₹4,720.52 million in Fiscal 2022 to ₹4,676.47 million in Fiscal 2023 primarily due to the following reasons.

- Fees to collection centers decreased by 7.51% from ₹1,232.98 million in Fiscal 2022 to ₹1,140.39 million in Fiscal 2023 primarily due to a decrease in overall revenue.
- Legal and professional decreased by 14.82% from ₹246.35 million in Fiscal 2022 to ₹209.85 million in Fiscal 2023 primarily due to decrease in contract staff, who were hired to manage COVID-19 related tests in Fiscal 2022, on account of decrease in COVID-19 related testing in Fiscal 2023.
- Advertisement and sales promotion charges decreased by 7.65% from ₹545.03 million in Fiscal 2022 to ₹503.36 million in Fiscal 2023 primarily due to a decrease in advertisements and marketing costs in Fiscal 2023 compared to Fiscal 2022 where higher spends on advertisements and marketing costs were incurred to focus more and re-build our non-COVID-19 related business since COVID-19 testing started declining in the latter half of Fiscal 2022.
- This decrease was marginally offset by an increase in expected credit loss allowance by 87.66% from ₹76.55 million in Fiscal 2022 to ₹143.65 million in Fiscal 2023 and increase in rent and hire charges, in relation to our owned laboratories and PSCs, by 9.51% from ₹279.35 million in Fiscal 2022 to ₹305.92 million in Fiscal 2023 primarily due to opening of new laboratories.

**Restated profit before exceptional items and tax.** For the various reasons discussed above, our restated profit before exceptional items and tax decreased by 52.09% from ₹3,302.11 million in Fiscal 2022 to ₹1,582.05 million in Fiscal 2023. The share of profit of equity accounted investees (net of income tax) decreased by 98.89% from

₹9.03 million in Fiscal 2022 to ₹0.10 million in Fiscal 2023 primarily due to the acquisition of the remaining equity shareholding in DDRC Agilus Pathlabs Limited from the joint venture partner (see “- Results of Operations - Fiscal 2022 compared to Fiscal 2021 – Key Developments” on page 335).

**Restated profit before tax.** For the various reasons discussed above, our restated profit before tax decreased by 75.14% from ₹6,363.54 million in Fiscal 2022 to ₹1,582.05 million in Fiscal 2023. In Fiscal 2022, we had an exceptional item of ₹3,061.43 million (compared to nil in Fiscal 2023) which was in relation to the acquisition of the remaining equity shareholding in DDRC Agilus Pathlabs Limited from the joint venture partner (see “- Results of Operations - Fiscal 2022 compared to Fiscal 2021 – Key Developments” on page 335).

**Tax expenses.** Total tax expenses decreased by 49.09% from ₹816.46 million in Fiscal 2022 to ₹415.69 million in Fiscal 2023. Current tax decreased by 55.35% from ₹967.12 million in Fiscal 2022 to ₹431.80 million in Fiscal 2023 primarily on account of decreased profits before tax in Fiscal 2023. Deferred tax credit decreased by 89.31% from ₹150.66 million in Fiscal 2022 to ₹16.11 million in Fiscal 2023 primarily due to reversal of deferred tax liability amounting to ₹98.28 million in Fiscal 2022 which was created in Fiscal 2021 towards interim dividend of ₹390.48 million declared by Agilus Pathlabs Private Limited (see “- Results of Operations - Fiscal 2022 compared to Fiscal 2021 – Key Developments” on page 335).

**Restated profit for the year.** For the various reasons discussed above, our restated profit for the year decreased by 78.97% from ₹5,547.08 million in Fiscal 2022 to ₹1,166.36 million in Fiscal 2023. **Fiscal 2022 compared to Fiscal 2021**

## Key Developments

- During Fiscal 2022, our Company acquired the remaining 50% equity shareholding in DDRC Agilus Pathlabs Limited (in which our Company’s wholly owned subsidiary, Agilus Diagnostics Private Limited, had already held the 50% equity shareholding) from the joint venture partner resulting in the said entity becoming a wholly owned subsidiary of our Company with effect from April 5, 2021. As a result, our financial statements for Fiscal 2022 reflect 100% equity shareholding of DDRC Agilus Pathlabs Limited for the period from April 5, 2021 to March 31, 2022, while our financial statements for Fiscal 2021 only reflect 50% equity shareholding of DDRC Agilus Pathlabs Limited. Accordingly, our results of operations and financial condition as of and for the financial year ended March 31, 2022 may not be strictly comparable to our results of operations and financial condition as of and for the financial year ended March 31, 2021.
- The COVID-19 pandemic led to an increase in RT-PCR tests, which in turn led to an increased demand for COVID-19 related high-end diagnostics services. In order to address such increased diagnostics requirements, we increased our testing capacity, opened more test centers and wellness centers, expanded our home specimen collection services and added more CTPs in Fiscals 2021 and 2022. In particular, in the first quarter of Fiscal 2022, on account of the second wave of COVID-19 in India and the Omicron variant in the fourth quarter of Fiscal 2022 in India, we had experienced a significant increase RT-PCR tests and other COVID-19 related tests.

**Total Income.** Our total income significantly increased by 52.57% from ₹10,606.94 million in Fiscal 2021 to ₹16,183.47 million in Fiscal 2022 primarily due to the reasons discussed below.

**Revenue from operations.** Our revenue from operations significantly increased by 55.05% from ₹10,350.73 million in Fiscal 2021 to ₹16,049.11 million in Fiscal 2022 primarily due to acquisition of the remaining equity shareholding in DDRC Agilus Pathlabs Limited and increase in demand for diagnostic tests due to the COVID-19 pandemic. We conducted 7.90 million RT-PCR tests and other COVID-19 related tests in Fiscal 2022 compared to 2.95 million RT-PCR tests and other COVID-19 related tests in Fiscal 2021. Our COVID-19 related revenue (i.e., revenue generated from RT-PCR tests and other COVID-19 related tests) increased by 39.77% from ₹3,239.18 million in Fiscal 2021 to ₹4,527.28 million in Fiscal 2022. As a percentage of revenue from operations, COVID-19 related revenue increased from 31.29% in Fiscal 2021 to 28.21% in Fiscal 2022. Further, our non-COVID-19 related revenue (i.e., revenue generated from other than RT-PCR tests and other COVID-19 related tests, which is revenue generated our operations comprising primarily diagnostic testing in the field of pathology and radiology) also increased by 62.13% from ₹7,051.84 million in Fiscal 2021 to ₹11,433.40 million in Fiscal 2022. We conducted and processed 36.28 million non-COVID-19 tests in Fiscal 2022 compared to 20.58 million non-COVID-19 tests in Fiscal 2021.

The following table sets forth revenue by sales channel under Ind AS 115 for the year indicated:

Particulars	Fiscal				Year-on-Year growth (%) <sup>(1)</sup>
	2021		2022		
	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations	
Owned labs	7,630.39	73.72%	12,132.76	75.60%	59.01%
Collection centers	2,441.12	23.58%	3,554.06	22.14%	45.59%
Franchisees	140.28	1.36%	188.88	1.18%	34.64%
<b>Total</b>	<b>10,211.79</b>	<b>98.66%</b>	<b>15,875.70</b>	<b>98.92%</b>	<b>55.46%</b>

Note: (1) Year-on-year growth (%) – (Amount pertaining to the current financial year less corresponding amounts in the immediately preceding financial year) divided by corresponding amounts in the immediately preceding financial year.

The following table sets forth revenue from operations by geography under Ind AS 108 for the periods indicated:

Particulars	Fiscal				Year-on-Year growth (%) <sup>(1)</sup>
	2021		2022		
	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations	
India (A)	10,001.96	96.63%	15,384.13	95.86%	53.81%
Other countries					
United Arab Emirates	154.68	1.49%	378.03	2.36%	144.39%
Kenya	16.92	0.16%	30.53	0.19%	80.44%
Maldives	12.89	0.12%	58.77	0.37%	355.94%
Nigeria	9.93	0.10%	3.08	0.02%	(69.00)%
Sri Lanka	7.09	0.07%	7.60	0.05%	7.19%
Ethiopia	4.80	0.05%	8.12	0.05%	69.17%
Others	3.52	0.03%	5.44	0.03%	54.54%
Total other countries (B)	209.83	2.03%	491.57	3.06%	134.27%
<b>Total (C=A+B)</b>	<b>10,211.79</b>	<b>98.66%</b>	<b>15,875.70</b>	<b>98.92%</b>	<b>55.46%</b>

Note: (1) Year-on-year growth (%) – (Amount pertaining to the current financial year less corresponding amounts in the immediately preceding financial year) divided by corresponding amounts in the immediately preceding financial year.

In addition, other operating revenues increased by 24.81% from ₹138.94 million in Fiscal 2021 to ₹173.41 million in Fiscal 2022 primarily due to an increase in liabilities/ provisions no longer required written back by 78.72% from ₹49.48 million in Fiscal 2021 to ₹88.43 million in Fiscal 2022 primarily on account of the reversal of value added tax liability of Agilus Diagnostics FZ LLC, Dubai in Fiscal 2022 due to a reduction of liability which was provided in the previous years.

*Other income.* Other income significantly decreased by 47.56% from ₹256.21 million in Fiscal 2021 to ₹134.36 million in Fiscal 2022, primarily due to a decrease in interest income earned on financial assets measured at amortised cost loans to fellow subsidiaries by 88.96% from ₹124.09 million in Fiscal 2021 to ₹13.70 million in Fiscal 2022 on account of the prepayment of an outstanding loan amounting to ₹1,071.70 million from Fortis Hospitals Limited,, Escorts Heart Institute and Research Limited and Hiranandani Healthcare Private Limited and on account of the acquisition of the remaining equity shareholding in DDRC Agilus Pathlabs Limited and a decrease in miscellaneous income by 85.82% from ₹19.39 million in Fiscal 2021 to ₹2.75 million in Fiscal 2022. This decrease was marginally offset by an increase in exchange differences (net) of ₹11.06 million in Fiscal 2022 compared to nil in Fiscal 2021 on account of favourable exchange rate movement.

*Expenses.* Total expenses significantly increased by 39.52% from ₹9,239.18 million in Fiscal 2021 to ₹12,890.39 million in Fiscal 2022 in line with the increase in our revenue from operations, which increased by 55.05% from Fiscal 2021 to Fiscal 2022, and primarily on account of the acquisition of the remaining equity shareholding in DDRC Agilus Pathlabs Limited.

*Cost of materials consumed.* Cost of materials consumed increased by 38.77% from ₹2,876.20 million in Fiscal 2021 to ₹3,991.36 million in Fiscal 2022. This increase was on account of expenses incurred to purchase higher volumes of raw materials in line with the increase in RT-PCR tests and other COVID-19 related tests.

*Cost of tests outsourced.* Cost of tests outsourced increased by 20.03% from ₹121.24 million in Fiscal 2021 to ₹145.53 million in Fiscal 2022 primarily due to increase in specialized testing.

**Employee benefits expense.** Employee benefits expense increased by 26.19% from ₹2,434.95 million in Fiscal 2021 to ₹3,072.57 million in Fiscal 2022 primarily on account of increase in the number of doctors and employees as well as annual increments. Salaries and wages increased by 25.40% from ₹2,247.43 million in Fiscal 2021 to ₹2,818.36 million in Fiscal 2022. Contribution to provident and other funds increased by 28.52% from ₹129.53 million in Fiscal 2021 to ₹166.47 million in Fiscal 2022.

**Finance costs.** Finance costs increased by 33.67% from ₹117.93 million in Fiscal 2021 to ₹157.64 million in Fiscal 2022 primarily due to an increase in interest expense on lease liability by 26.96% from ₹63.03 million in Fiscal 2021 to ₹80.02 million in Fiscal 2022 on account of the acquisition of the remaining equity shareholding in DDRC Agilus Pathlabs Limited. We also incurred interest expense on deferred purchase consideration/liability towards intangibles of ₹13.06 million in Fiscal 2022 compared to nil in Fiscal 2021 on account of the acquisition of the remaining equity shareholding in DDRC Agilus Pathlabs Limited.

**Depreciation and amortisation expense.** Depreciation and amortisation expense significantly increased by 54.19% from ₹520.65 million in Fiscal 2021 to ₹802.77 million in Fiscal 2022. Depreciation of property, plant and equipment increased by 57.49% from ₹245.81 million in Fiscal 2021 to ₹387.12 million in Fiscal 2022. Depreciation of right of use asset also increased by 27.00% from ₹206.92 million in Fiscal 2021 to ₹262.79 million in Fiscal 2022 and amortisation of intangible assets also increased by 125.06% from ₹67.92 million in Fiscal 2021 to ₹152.86 million in Fiscal 2022. This increase was primarily on account of the line-by-line consolidation of DDRC Agilus Pathlabs Limited post the acquisition, which resulted due to DDRC Agilus Diagnostics Limited becoming a wholly owned Subsidiary of our Company.

**Other expenses.** Other expenses significantly increased by 49.00% from ₹3,168.21 million in Fiscal 2021 to ₹4,720.52 million in Fiscal 2022 primarily due to the following reasons.

- Fees to collection centers significantly increased by 78.63% from ₹690.23 million in Fiscal 2021 to ₹1,232.98 million in Fiscal 2022 primarily due to an increase in collection centers operated by franchisees and growth in our overall revenue.
- Professional fees to doctors increased by 41.78% from ₹689.25 million in Fiscal 2021 to ₹977.21 million in Fiscal 2022 primarily due to lower payout (in terms of the variable fee component) on account of lower revenues in Fiscal 2021 attributable to the impact of the COVID-19 pandemic.
- Advertisement and sales promotion charges increased by 87.37% from ₹290.89 million in Fiscal 2021 to ₹545.03 million in Fiscal 2022 primarily due to the line-by-line consolidation of DDRC Agilus Pathlabs Limited post the acquisition, which resulted in DDRC Agilus Pathlabs Limited becoming a wholly owned Subsidiary of our Company, as well as increase in advertisements and marketing particularly in relation to our home collection services.
- Rent and hire charges increased by 92.36% from ₹145.22 million in Fiscal 2021 to ₹279.35 million in Fiscal 2022 primarily due to the line-by-line consolidation of DDRC Agilus Pathlabs Limited post the acquisition, which resulted in DDRC Agilus Pathlabs Limited becoming a wholly owned Subsidiary of our Company.
- Power and fuel increased by 30.40% from ₹150.34 million in Fiscal 2021 to ₹196.04 million in Fiscal 2022 primarily due to line-by-line consolidation of DDRC Agilus Pathlabs Limited post the acquisition, which resulted in DDRC Agilus Pathlabs Limited becoming a wholly owned Subsidiary of our Company.
- Repairs and maintenance of plant and machinery increased by 39.25% from ₹142.55 million in Fiscal 2021 to ₹198.50 million in Fiscal 2022 primarily due to line-by-line consolidation of DDRC Agilus Pathlabs Limited post the acquisition, which resulted in DDRC Agilus Pathlabs Limited becoming a wholly owned Subsidiary of our Company as well as on account of re-negotiation with certain vendors for Fiscal 2021.

**Restated profit before exceptional items and tax.** For the various reasons discussed above, our restated profit before exceptional items and tax significantly increased by 83.10% from ₹1,803.46 million in Fiscal 2021 to ₹3,302.11 million in Fiscal 2022. The share of profit of equity accounted investees (net of income tax) significantly decreased by 97.93% from ₹435.70 million in Fiscal 2021 to ₹9.03 million in Fiscal 2022 primarily due to DDRC Agilus Pathlabs Limited being accounted as a wholly owned subsidiary with effect from April 5, 2021 on account of the acquisition of the remaining equity shareholding in DDRC Agilus Pathlabs Limited.

**Restated profit before tax.** For the various reasons discussed above, our restated profit before tax increased by 252.85% from ₹1,803.46 million in Fiscal 2021 to ₹6,363.54 million in Fiscal 2022. In Fiscal 2022, we had an



exceptional item of ₹3,061.43 million (compared to nil in Fiscal 2021) which was in relation to the acquisition of the remaining equity shareholding in DDRC Agilus Pathlabs Limited from the joint venture partner.

**Tax expenses.** Total tax expenses increased by 66.28% from ₹491.01 million in Fiscal 2021 to ₹816.46 million in Fiscal 2022. Current tax increased by 137.13% from ₹407.84 million in Fiscal 2021 to ₹967.12 million in Fiscal 2022 primarily on account of increased profits before tax in Fiscal 2022. In Fiscal 2022 we had a deferred tax credit of ₹150.66 million (compared to a deferred tax charge ₹83.17 million in Fiscal 2021) due to the reversal of deferred tax liability amounting to ₹98.28 million in Fiscal 2022 which was created in Fiscal 2021 towards interim dividend of ₹390.48 million declared by Agilus Pathlabs Private Limited.

**Restated profit for the year.** For the various reasons discussed above, our restated profit for the year increased by 322.65% from ₹1,312.45 million in Fiscal 2021 to ₹5,547.08 million in Fiscal 2022.

### Liquidity and Capital Resources

Our primary liquidity requirements have been for financing our capital expenditure, working capital and repayment of various loans. In recent periods, we have met these requirements through cash flows from operations, as well as loans. As of March 31, 2023, we had ₹1,137.44 million in cash and cash equivalents. We believe that, after taking into account the expected cash to be generated from operations and our borrowings, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure, working capital, interest obligations and other operating needs under our current business plans for the next 12 months. We continue to assess our liquidity requirements depending on business growth and market developments and take appropriate actions to manage the liquidity through various sources, internal and external.

### Cash Flows

The following table sets forth our cash flows for the periods indicated:

	Fiscal		
	2021	2022	2023
	(₹ million)		
Net cash generated from operating activities	1,766.21	2,948.50	1,911.35
Net cash generated from/ (used in) investing activities	374.65	(3,983.65)	(1,071.98)
Net cash used in financing activities	(263.94)	(335.14)	(741.66)
Net increase/(decrease) in cash and cash equivalents	1,876.92	(1,370.29)	97.71
<b>Cash and cash equivalents at the end of the year</b>	<b>2,266.16</b>	<b>1,035.78</b>	<b>1,137.44</b>

### Operating Activities

Net cash generated from operating activities was ₹1,911.35 million in Fiscal 2023. Our restated profit before tax was ₹1,582.05 million in Fiscal 2023, which was primarily adjusted for depreciation and amortization expense of ₹889.70 million, finance costs of ₹154.51 million, loss allowance for trade receivables of ₹143.65 million, liabilities/provisions no longer required written back of ₹(47.32) million and interest income of ₹(154.26) million. Our operating profit before changes in assets and liabilities was ₹2,510.99 million in Fiscal 2023 and adjustments for changes in assets and liabilities primarily comprised increase in trade payables of ₹124.38 million and increase in other liabilities of ₹35.59 million, primarily offset by an increase in trade receivables of ₹65.12 million, increase in loans and other financial assets of ₹45.27 million and increase in inventories of ₹41.80 million. Cash generated from operations amounted to ₹2,463.89 million and direct taxes paid (net) was ₹552.54 million.

Net cash generated from operating activities was ₹2,948.50 million in Fiscal 2022. Our restated profit before tax was ₹6,363.54 million in Fiscal 2022, which was primarily adjusted for exceptional items of ₹(3,061.43) million in relation to the acquisition of the remaining equity shareholding in DDRC Agilus Pathlabs Limited from the joint venture partner, depreciation and amortisation expense of ₹802.77 million and finance costs of ₹157.64 million. Our operating profit before changes in assets and liabilities was ₹4,126.11 million in Fiscal 2022 and adjustments for changes in assets and liabilities primarily comprised increase in other financial liabilities of ₹101.37 million and increase in trade payables of ₹58.61 million, primarily offset by an increase in inventories of ₹112.26 million, decrease in other liabilities of ₹68.06 million, increase in trade receivables of ₹50.03 million and increase in loans and other financial assets of ₹33.29 million. Cash generated from operations amounted to ₹4,007.83 million and direct taxes paid (net) was ₹1,059.33 million.

Net cash generated from operating activities was ₹1,766.21 million in Fiscal 2021. Our restated profit before tax was ₹1,803.46 million in Fiscal 2021, which was primarily adjusted for depreciation and amortization expense of

₹520.65 million, share of profit of equity accounted investees (net of income tax) of ₹(435.70) million, loss allowance for trade receivables of ₹142.67 million, finance costs of ₹117.93 million and liabilities/provisions no longer required written back of ₹(49.48) million. Our operating profit before changes in assets and liabilities was ₹1,860.00 million in Fiscal 2021 and adjustments for changes in assets and liabilities primarily comprised increase in trade payables of ₹263.00 million and decrease in loans and other financial assets of ₹242.97 million, primarily offset by an increase in trade receivables of ₹120.88 million and increase in inventories of ₹70.23 million. Cash generated from operations amounted to ₹2,217.51 million and direct taxes paid (net) was ₹451.30 million.

### **Investing Activities**

Net cash used in investing activities was ₹1,071.98 million in Fiscal 2023 primarily on account of fixed deposits made during the year of ₹6,493.47 million, payments for purchase of property, plant and equipment and intangible assets of ₹1,466.60 million and purchase of current investment of ₹1,209.94 million. This was significantly offset by fixed deposits matured during the year of ₹6,949.93 million and proceeds from sale of current investment of ₹1,217.34 million.

Net cash used in investing activities was ₹3,983.65 million in Fiscal 2022 primarily on account of fixed deposits made during the year of ₹5,166.52 million, investment in subsidiary of ₹3,375.00 million and payments for purchase of property, plant and equipment and intangible assets of ₹629.03 million. This was significantly offset by fixed deposits matured during the year of ₹3,865.85 million and repayment of loan given to fellow subsidiaries of ₹1,071.70 million.

Net cash generated from investing activities was ₹374.65 million in Fiscal 2021 primarily on account of fixed deposits matured during the year of ₹1,917.53 million, dividend from joint venture of ₹280.00 million and interest received of ₹229.78 million. This was significantly offset by fixed deposits made during the year of ₹1,698.72 million and payments for purchase of property, plant and equipment and intangible assets of ₹372.41 million.

### **Financing Activities**

Net cash used in financing activities was ₹741.66 million in Fiscal 2023, on account of dividend paid of ₹372.52 million, principal payment of lease liabilities of ₹256.29 million, interest paid on lease liabilities of ₹88.64 million and finance cost paid of ₹29.89 million.

Net cash used in financing activities was ₹335.14 million in Fiscal 2022, on account of principal payment of lease liabilities of ₹225.75 million, interest paid on lease liabilities of ₹80.02 million and finance cost paid of ₹39.30 million.

Net cash used in financing activities was ₹263.94 million in Fiscal 2021, on account of principal payment of lease liabilities of ₹185.15 million, interest paid on lease liabilities of ₹63.03 million and finance cost paid of ₹27.12 million.

### **Capital Expenditures**

Capital expenditures consist of primarily fixed assets of property, plant and equipment primarily comprising laboratory equipment, medical plant and equipment, furniture and fixtures, leasehold improvements, vehicles and computers. We intend to continue expand our diagnostics laboratory network, which may lead us to incur further capital expenditure. The following table sets forth details of our capital expenditure for the years indicated:

Particulars	As of and for the financial year ended March 31,		
	2021	2022	2023
	(₹ million)		
<b>Non-current Assets</b>			
Property, plant and equipment	2,611.26	2,943.07	3,110.93
Capital work-in progress	11.14	21.20	13.32
Other intangible assets	182.45	3,067.77	4,105.46
<b>Cash flows from investing activities</b>			
Payments for purchase of property, plant and equipment and intangible assets	372.41	629.03	1,466.60

For further information, see “Financial Statements - Restated Consolidated Financial Information” on page 241.

### **Indebtedness**

As of March 31, 2023, a brief summary of our aggregate outstanding borrowings on a consolidated basis is set forth below:

Category of borrowing	Outstanding amount as on March 31, 2023
<b>Non-Current</b>	
<b>Secured (A)</b>	
<b>Term Loans</b>	
<b>Vehicle Loans</b>	
From banks	25.43
From financial institutions	1.72
Less: Interest accrued but not due on borrowings	(0.18)
Less: Current maturities classified as current borrowings	(9.33)
<b>Unsecured (B)</b>	
Term Loan	
From related parties – fellow Subsidiary*	1.32
<b>Total (A)</b>	<b>18.96</b>
<b>Current</b>	
Current maturities of non-current borrowings	9.33
<b>Total (B)</b>	<b>9.33</b>
<b>Total (A+B)</b>	<b>28.29</b>

\*We obtained interest free loan without any fixed payment term from Medical Management Company Limited.

Our debt to equity ratio was nil as of March 31, 2023. For further information on our indebtedness, see “*Financial Indebtedness*” on page 350

### Contractual Obligations, Contingent Liabilities and Commitments

#### Contractual Obligations

The following table sets forth the remaining contractual maturity for our non-derivative financial liabilities as of March 31, 2023:

	As of March 31, 2023			
	0 - 1 year	Beyond 1 year	Total Amount	Carrying Amount
	(₹ million)			
<b>Non-Interest Bearing Instruments</b>				
Borrowings	-	1.32	1.32	1.32
Lease liabilities (non-current)	-	990.10	990.10	812.86
Payable on purchase of plant and equipment (non-current)	-	212.41	212.41	192.58
Lease liabilities - current	329.22	-	329.22	252.96
Trade payables	1,394.72	-	1,394.72	1,394.72
Deposit from customers	166.34	-	166.34	166.34
Employee benefits payable	176.12	-	176.12	176.12
Payable on purchase of plant and equipment - current	272.15	-	272.15	262.20
Deferred/Contingent purchase consideration	82.68	-	82.68	82.68
Liability against indemnification	7.47	-	7.47	7.47
Payable to related parties	0.87	-	0.87	0.87
<b>Fixed Interest Bearing Instruments</b>				
Borrowings (including interest accrued)	11.16	19.25	30.41	27.15
<b>Total</b>	<b>2,440.73</b>	<b>1,223.08</b>	<b>3,663.81</b>	<b>3,377.27</b>

For further information, see “*Restated Consolidated Financial Information – Note 45C: Financial risk management objectives and Policies*” on page 292.

### Contingent Liabilities

The following sets forth the principal components of our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, as of March 31, 2023:

- (a) Claims against the Group, disputed by the Group, not acknowledged as debt:

	As of March 31, 2023
	(₹ million)
Income tax	2,712.63
Medical related	560.82
Service tax	96.59
Others	41.75
<b>Total</b>	<b>3,411.79</b>

- (b) Further, refer claims assessed as contingent liability are described in Notes 56, 57 and 58 of the Restated Consolidated Financial Information.
- (c) The Group has received a claim of ₹93.50 million from an ex-employee alleging certain dues payable by the Group to him in respect to his variable pay, provident fund and ESOPs. The ex-employee has also filed a similar claim of ₹192.30 million on Fortis. Subsequently, the claimant has filed a petition with National Company Law Tribunal (NCLT) and revised his claim amount to ₹363.78 million. The Group has filed the response to the petition on merits submitting that the Petition is not maintainable either under facts or law. The matter is currently pending with National Company Law Tribunal.
- (d) On February 28, 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers (the India Defined Contribution Obligation) altered historical understandings of such obligations, extending them to cover additional portions of the employee's income to measure obligations under employees Provident Fund Act, 1952. There are numerous interpretative issues relating to this judgement as to how the liability should be calculated, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. As such, the Group has been legally advised not to consider that there is any probable obligations for periods prior to date of aforesaid judgment.
- (e) Further, Note 53 of the Restated Consolidated Financial Information for contingent liabilities relates to joint venture.

Additionally, the Group is involved in other disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business.

The Group believes that none of the above matters either individually or in aggregate, are expected to have a material adverse effect on its financial statements. The cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various stages/forums.

For further information, see “Restated Consolidated Financial Information – Note 42 Contingent Liabilities” on page 288.

### Commitments

The following table sets forth our commitments as of March 31, 2023:

	As of March 31, 2023
	(₹ million)
Commitments for the acquisition of property, plant and equipment	70.07
Lease commitments	217.56
<b>Total commitments</b>	<b>287.63</b>

Notes:

<sup>(1)</sup>The Group has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase / sale of services, employee's benefits. The Group does not have any long term commitments or material non-cancellable contractual commitments/ contracts.

<sup>(2)</sup>The Group has lease contracts that have been committed but not yet commenced as at March 31, 2023. The future lease payments for these non-cancellable lease contracts amounting to ₹217.56 million is payable within next seven years.

For further information, see “*Restated Consolidated Financial Information – Note 41 Commitments*” on page 288.

### Non-GAAP Measures

EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, PAT Margin, Return on Equity, Return on Capital Employed, Net Asset Value per Equity Share, Net Worth and other non-GAAP measures, (together, “**Non-GAAP Measures**”), 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, these Non-GAAP Measures are 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 for the years 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, such Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. 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.

Reconciliation for the following non-GAAP financial measures included in this Draft Red Herring Prospectus are set out below for the years indicated:

#### Reconciliation for EBITDA

Particulars	Fiscal		
	2021	2022	2023
	(₹ million)		
Restated profit for the year (A)	1,312.45	5,547.08	1,166.36
Total tax expense (B)	491.01	816.46	415.69
Finance costs (C)	117.93	157.64	154.51
Depreciation and amortization expense (D)	520.65	802.77	889.70
<b>EBITDA (G=A+B+C+D)</b>	<b>2,442.04</b>	<b>7,323.95</b>	<b>2,626.26</b>

#### Reconciliation for Adjusted EBITDA

Particulars	Fiscal		
	2021	2022	2023
	(₹ million)		
EBITDA (A)	2,442.04	7,323.95	2,626.26
Exceptional items (B)	-	(3,061.43)	-
<b>Adjusted EBITDA (C=A-B)</b>	<b>2,442.04</b>	<b>4,262.52</b>	<b>2,626.26</b>

#### Reconciliation for EBITDA Margin

Particulars	Fiscal		
	2021	2022	2023
	(₹ million)		
EBITDA (A)	2,442.04	7,323.95	2,626.26
Revenue from operations (B)	10,350.73	16,049.11	13,474.62
<b>EBITDA Margin (C=A/B) (%)</b>	<b>23.59%</b>	<b>45.63%</b>	<b>19.49%</b>

#### Reconciliation for Adjusted EBITDA Margin

Particulars	Fiscal		
	2021	2022	2023
	(₹ million)		
Adjusted EBITDA (A)	2,442.04	4,262.52	2,626.26
Revenue from operations (B)	10,350.73	16,049.11	13,474.62
<b>Adjusted EBITDA Margin (C=A/B) (%)</b>	<b>23.59%</b>	<b>26.56%</b>	<b>19.49%</b>

#### Reconciliation for PAT Margin

Particulars	Fiscal		
	2021	2022	2023
	(₹ million)		
Restated profit for the year (A)	1,312.45	5,547.08	1,166.36
Total income (B)	10,350.73	16,049.11	13,474.62
<b>PAT Margin (C=A/B) (%)</b>	<b>12.68%</b>	<b>34.56%</b>	<b>8.66%</b>

#### Reconciliation for Return on Equity

Particulars	Fiscal		
	2021	2022	2023
	(₹ million)		
Restated profit for the year (A)	1,312.45	5,547.08	1,166.36
Closing equity (B)	13,113.82	18,661.54	19,455.77
Opening equity (C)	11,805.31	13,113.82	18,661.54
Average equity (D=(B+C)/2)	12,459.56	15,887.68	19,058.66
<b>Return on Equity (E=A/D) (%)</b>	<b>10.53%</b>	<b>34.91%</b>	<b>6.12%</b>

#### Reconciliation for Return on Capital Employed

Particulars	Fiscal		
	2021	2022	2023
	(₹ million)		
Restated profit before tax (A)	1,803.46	6,363.54	1,582.05
Finance costs (B)	117.93	157.64	154.51
<b>Earnings before Interest and Tax (C=A+B)</b>	<b>1,921.39</b>	<b>6,521.18</b>	<b>1,736.56</b>
Total equity (D)	13,113.82	18,661.54	19,455.77
Goodwill (E)	(4,191.78)	(8,329.84)	(8,507.65)
Other intangible assets (F)	(182.45)	(3,067.77)	(4,105.46)
Tangible Net Worth (G=D-E-F)	8,739.59	7,263.93	6,842.66
Borrowings (Current) (H)	2.83	6.39	9.33
Borrowings (Non - Current) (I)	9.70	16.12	18.96
Lease liabilities (Current) (J)	172.67	243.61	252.96
Lease liabilities (Non-Current) (K)	397.06	667.07	812.86
Deferred tax liabilities (L)	-	688.30	672.42
Capital Employed (M=G+H+I+J+K+L)	9,321.85	8,885.42	8,609.19
<b>Return on Capital employed (O=C/M) (%)</b>	<b>20.61%</b>	<b>73.39%</b>	<b>20.17%</b>

#### Reconciliation for Net Worth

Particulars	Fiscal		
	2021	2022	2023
	(₹ million)		
Equity Share capital (A)	784.26	784.26	784.26
Other equity (B)	12,329.56	17,877.28	18,671.51
Capital reserve* (C)	(1,418.11)	(1,418.11)	(1,418.11)
<b>Net Worth (D=A+B-C)</b>	<b>11,695.71</b>	<b>17,243.43</b>	<b>18,037.66</b>

\*Capital reserve has been excluded when computing net worth since these were not created out of the profits.

#### Reconciliation for Net Asset Value per Equity Share

Particulars	Fiscal		
	2021	2022	2023
	(₹ million)		
Net Worth (A)	11,695.71	17,243.43	18,037.66
Weighted average number of equity shares outstanding during the year (B)	78,425,542	78,425,542	78,425,542
<b>Net Asset Value per Equity Share (C=A/B)</b>	<b>149.13</b>	<b>219.87</b>	<b>230.00</b>

## **Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements that we believe have or are reasonably likely to have a current or future material effect on our financial condition, change in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

## **Related Party Transactions**

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include costs of tests outsourced, purchase of reagents and consumables, remuneration to Key Managerial Personnel and sale of property, plant and equipment. For further information relating to our related party transactions, see “*Restated Consolidated Financial Information – Note 39 Related Party Transactions*” on page 279.

## **Auditor’s Observation**

Our Statutory Auditors in their examination report to the Restated Consolidated Financial Information and their auditor’s reports on the audited financial statements as of and for the years ended March 31, 2021, 2022 and 2023 have included certain emphasis of matters and audit qualifications. For further information, see “*Risk Factors - Our Statutory Auditors have included certain emphasis of matters, audit qualifications and matters prescribed under the Companies (Auditor’s Report) Order, 2020 and Companies (Auditor’s Report) Order, 2016 in the audit reports of our Company*” and “*Restated Consolidated Financial Information*” on pages 58 and 241.

## **Quantitative and Qualitative Disclosures about Market Risk**

Our business activities expose us to a variety of financial risks, namely, credit risk, market risk and liquidity risk. Our Board of Directors manages our financial risks through internal risk reports which analyze exposure by the magnitude of risk.

### *Credit Risk*

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from our receivables from customers. An impairment analysis is performed at each reporting date on an individual basis for major customers. We hold certain amounts as collateral in form of security deposits against certain class of receivables (primarily including receivables from collection centers). In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are a direct client, collection center, franchisee, government agency, history of business with the Company and existence of previous financial difficulties.

For further information on our credit risk, see “*Restated Consolidated Financial Information – Note 45C Financial risk management objectives and Policies*” on page 292.

### *Market Risk*

Market risk is the risk of loss of future earnings, risk of loss due to change in interest rates, fair values or future cash flows that may result from a change in the price of financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, and other market changes that affect market risk sensitive instruments.

### *Foreign currency risk*

We have limited exposure from foreign currency risk due to limited international operations. We have not taken any derivative contracts to hedge the exposure and our exchange rate exposures are managed within approved policy parameters.

### *Interest rate risk*

We are not exposed to interest rate risk because we have borrowed funds at fixed interest rates.

### *Other price risk*

Our investments are in a joint venture company and are held for strategic purposes rather than for trading purposes.

### *Liquidity Risk*

Liquidity risk is the risk that we will encounter difficulty in meeting the obligation associated with our financial liabilities that are settled by delivering cash. Our ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework of our short-term, medium-term and long-term funding and liquidity management requirements. We manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. Our principal sources of liquidity are cash and cash equivalent and cash flow that is generated from operations. In addition, we have funding facilities disclosed below (secured against first *pari pasu* charge on current assets, thereafter second *pari pasu* charge over all moveable property, plant and equipment) which can be drawn to meet short term financial needs. Set out below are details of our undrawn borrowing facilities at the end of the reporting period:

Particulars	As of March 31,					
	2021		2022		2023	
	Sanctioned Limit	Limit Utilised	Sanctioned Limit	Limit Utilised	Sanctioned Limit	Limit Utilised
	(₹ million)					
Cash credit facility	20.00	-	519.40	-	511.65	-
Letter of credit	7.50	-	7.50	-	7.50	-
Bank guarantee	45.00	13.33	33.00	7.35	33.85	14.46
<b>Total</b>	<b>72.50</b>	<b>13.33</b>	<b>559.90</b>	<b>7.35</b>	<b>553.00</b>	<b>14.46</b>

For further information, see “*Restated Consolidated Financial Information – Note 45C: Financial risk management objectives and Policies*” on page 292.

### **Unusual or Infrequent Events or Transactions**

Except as disclosed in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent” that led to a material adverse effect on our business and operations.

### **Known Trends or Uncertainties**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes. 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 income from our continuing operations. For further information regarding trends and uncertainties, see “- *Significant Factors Affecting Our Financial Condition and Results of Operations*” on page 318 and “*Risk Factors*” on page 36.

### **Future Relationship between Cost and Income**

Except as disclosed in this Draft Red Herring Prospectus, there are no known factors that will have a material adverse impact on our operations and finances. For further information, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 36, 170 and 316, respectively.

### **Seasonality of Business**

Our business is subject to a seasonality due to the outbreak of contagious diseases such as the COVID-19 pandemic. In addition, we also experience marginal seasonality during the monsoon season, as a result of a greater degree of prevalence of dengue and malarial. For further information, see “*Risk Factors – Internal Risks - We are subject to seasonal fluctuations in operating results and cash flows, which could affect our business, results of operations and financial condition.*” on page 53.

### **Significant Dependence on a Single or Few Customers or Suppliers**

We have a wide customer base and our business is not dependent on any single or few suppliers. However, we are dependent on our Promoter and its affiliates for a portion of our revenues. For further information, see “*Risk*



*Factors – Internal Risks - We have entered into a master service agreement with our Promoter and certain other letters/agreements with our Promoter and its affiliates in respect of providing certain laboratory management services to them and are dependent on them for a portion of our revenues. Any non-performance, non-renewal/ revision, substantial change in terms or termination of such agreements may adversely affect our business, results of operations and financial condition.” on page 44.*

### **Significant Economic Changes**

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. See “*Risk Factors*” and “—*Significant Factors Affecting Our Financial Condition and Results of Operations*” on pages 36 and 318, respectively.

### **New Business Segment**

Apart from the disclosures in “*Our Business*” on page 170, we currently have no plans to develop or establish new business segments that are expected to have a material impact on our business, results of operations or financial condition.

### **Competitive Conditions**

We operate in a competitive environment. For information on our competitive conditions and our competitors, see “*Risk Factors*” and “*Our Business*” on pages 36 and 170, respectively.

### **Significant Developments subsequent to March 31, 2023**

- In May 2023, we changed our brand name to “*Agilus Diagnostics*” as well as corporate name to “*Agilus Diagnostics Limited*”. Against the above transition, certain persons have filed applications before the Delhi High Court seeking *inter alia* directions from the Delhi High Court to restrain us from abruptly dumping/discontinuing our former brand and allied trademarks and/or from acting in any manner detrimental to the value of the former brand and allied trademarks. For further information, see “*Risk Factors – Internal Risks - We recently changed our brand which led to certain legal proceedings that are currently pending before the Delhi High Court. Any unfavorable outcome may have an adverse effect on our business, reputation, results of operations and financial condition.*” and “*Risk Factors – Internal Risks - Any failure to establish our new brand may adversely affect customer confidence in our services or our inability to maintain and enhance our brand and reputation or any negative publicity and allegations, may have an adverse impact on our business, reputation, results of operations and financial condition*” on pages 36 and 37, respectively.
- On September 25, 2023, our Company and our Promoter have executed a binding term sheet for operating in-hospital laboratories and conducting on-site testing at certain hospitals operated by our Promoter and its affiliates. For further information, see “*Business - Master Service Agreement with our Promoter, Fortis*” and “*Risk Factors – Internal Risks - We have entered into a master service agreement with our Promoter and certain other letters/agreements with our Promoter and its affiliates in respect of providing certain laboratory management services to them and are dependent on them for a portion of our revenues. Any non-performance, non-renewal/ revision, substantial change in the agreed rates or termination of such agreements may adversely affect our business, results of operations and financial condition.*” on pages 184 and 44.
- Pursuant to the recommendation made by our Board by its resolution dated May 18, 2023 and as approved by our Shareholders pursuant to their resolution dated July 31, 2023, our Company had declared and paid dividend to our Shareholders. For details, see “*Dividend Policy*” on page 240.

Except as disclosed above and elsewhere in this Draft Red Herring Prospectus, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

## FINANCIAL INDEBTEDNESS

We avail borrowings in the ordinary course of business, typically, for the purpose of meeting working capital and business requirements. For details regarding the borrowing powers of our Board, see “*Our Management – Borrowing Powers*” on page 216.

We have obtained the necessary consents from, and provided intimations to lenders, as required under the relevant loan documentation in respect of our borrowings, for undertaking the Offer.

As on June 30, 2023, a brief summary of our aggregate outstanding borrowings on a consolidated basis is set forth below:

<i>(in ₹ million)</i>		
Category of borrowing	Sanctioned Amount	Outstanding amount as on June 30, 2023
<b>Secured (A)</b>		
Working Capital (WCDL/Cash Credit/Overdraft)*	545.54	14.50**
Vehicle Loan	41.70	27.14
Letter of Credit	7.50	-
<b>Total (A)</b>	<b>594.74</b>	<b>41.64</b>
<b>Unsecured (B)</b>		
Loan from related party***	1.32	1.32
<b>Total (B)</b>	<b>1.32</b>	<b>1.32</b>
<b>Total (A+B)</b>	<b>596.06</b>	<b>42.96</b>

As certified by N B T and Co, Chartered Accountants pursuant to their certificate dated September 29, 2023.

Notes:

\* Including sanctioned limits for bank guarantees of ₹ 25.54 million and sublimits/interchangeable limits of bank guarantee

\*\* Including outstanding amount against bank guarantee amounting to ₹ 14.50 million

\*\*\* Loan from related party consists of loan taken by Agilus Diagnostics FZ LLC amounts to AED 58,845.92 converted to ₹ 1.32 million at 1AED = ₹ 22.38

For further details of our outstanding borrowing obligations of our Company as of March 31, 2021, March 31, 2022 and March 31, 2023, see “*Restated Consolidated Financial Information*” on page 241

Pursuant to letter dated July 21, 2023, the credit rating of our Company, in respect of the credit facilities availed by it is CRISIL AA/Stable.

### Principal terms of the borrowings we have availed

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us.

- Interest:** The interest rate of our working capital facilities is typically linked to the marginal cost of funds-based lending rate (“**MCLR**”) of the specific lender plus a spread per annum. The spread varies between different loans for different banks. The interest rate of the vehicle loans availed by us typically ranges from 7.00% per annum to 9.03% per annum.
- Tenor:** The tenor of the vehicle loans availed by us typically ranges from 36 months to 48 months.
- Security:** Our borrowings are typically secured by a *pari-passu* charge on the fixed, moveable and current assets of our Company including inventories and book debts as well as through creation of charges on the assets purchased from the borrowings availed by us.
- Re-payment:** Our borrowings are typically repayable on a monthly or quarterly basis, after the end of the specified moratorium period or as may be agreed between us and the respective lender. The working capital facilities availed by us are typically repayable on demand.
- Penalty:** The borrowings availed by us typically contain provisions prescribing penalties for pre-payment as well as delayed payment or default in the repayment obligations, including delay in creation of the stipulated security, failure to maintain a certain level of credit worthiness, and/or submission of documents.

6. **Restrictive Covenants:** The borrowing arrangement entered into by us entail various restrictive conditions and covenants restricting certain corporate actions, and we may be required to obtain the lender's consent and/ or intimate the respective lender prior to carrying out such activities, including but not limited to:
- (a) amending or modifying the constitutional documents and changing the trade name of our Company;
  - (b) changing the constitution/composition of the board of directors and management control of our Company;
  - (c) undertaking any merger, de-merger, consolidation, reorganisation, dissolution, acquisition, or scheme of arrangement or compromise with our Company's creditors or shareholders;
  - (d) declaring or paying any dividend or making any distribution to our Shareholders;
  - (e) extending loans to any group companies or associates or Subsidiaries or any other third party and repaying subordinated loans availed from our Directors or Group Companies;
  - (f) effecting any change to our Company's capital structure or shareholding pattern, trade name; and
  - (g) undertaking of any new business, operations, project, or diversification, modernisation or substantial expansion of any of our existing business.
7. **Events of Default:** The borrowing availed by us contain certain standard events of default, including but not limited to:
- (a) failure to make payment in accordance with secured obligations under the transaction documents including payment of principal, interest, commission fee, costs or other amounts on due dates;
  - (b) failure to observe or comply with any of the terms and conditions of the transaction documents;
  - (c) any event that would likely constitute a material adverse change, as set out in the transaction documents;
  - (d) failure to comply with security and financial covenants;
  - (e) suspension, cessation, or threat to cease to carry on all or a substantial part of its businesses;
  - (f) any notice received/action taken for actual or threatened winding up, bankruptcy, insolvency, liquidation;
  - (g) in case the security is in jeopardy or ceases to have effect or becomes illegal;
  - (h) repudiation, termination, unenforceability or invalidity of any of the licenses and approvals required for our business, if not cured within the stipulated timeframe;
  - (i) cross default in payment under any of our borrowings; and
  - (j) inclusion of the names of our directors in the Reserve Bank of India's wilful defaulters list.
8. **Consequences of occurrence of events of default:** In terms of our borrowing arrangements, the following, *inter alia*, are the consequences of events of default occurring, whereby our lenders may:
- (a) withdraw or cancel the undrawn commitments under the borrowings;
  - (b) suspend further access and drawal, either in whole or in part, of the borrowings;
  - (c) accelerate/recall the borrowings and seek immediate repayment of either whole or part of the outstanding amounts with accrued interest;
  - (d) disclosure of details of borrowings and default to regulators / third parties;

- (e) appoint a nominee director on the board of directors;
- (f) enforce their security; and
- (g) impose penal rate of interest / penal charges over and above the agreed rates.

The details provided above are an indicative list and there may be such other additional terms including restrictive covenants and conditions under the various borrowing arrangement entered into by us.

For risks in relation to the financial and other covenants required to be complied with in relation to our borrowings, see *“Risk Factors – Our indebtedness and the conditions and restrictions imposed by our financing agreements and any non-compliance may lead to, among others, suspension of further drawdowns, which may adversely affect our business, results of operations and financial condition.”* on page 54.

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) claims related to direct and indirect taxes, and (iv) material litigation, in each case involving our Company, our Subsidiaries, Directors or Promoter (“**Relevant Parties**”).

In relation to (iv) above, our Board in its meeting held on September 25, 2023, has considered and adopted the Materiality Policy. In terms of the Materiality Policy adopted by our Board:

- (a) all outstanding civil litigation / arbitration proceedings (including claims related to direct and indirect taxes) involving our Company and its Subsidiaries, in which the aggregate monetary amount involved is equal to or in excess of one per cent of the consolidated profit after tax, as per the Restated Consolidated Financial Information of our Company as at March 31, 2023 would be considered as material. The restated profit for the year of our Company for the Fiscal 2023 is ₹ 1,166.36 million, and accordingly, all outstanding litigation (including claims related to direct and indirect taxes) involving our Company and its Subsidiaries in which the amount involved exceeds ₹ 11.66 million have been considered as material;
- (b) all outstanding civil litigation / arbitration proceedings involving our Company and its Subsidiaries where the decision in one matter is likely to affect the decision in similar matters, such that the cumulative amount involved in such matters exceeds the materiality threshold as specified in point (a) above, even though the amount involved in an individual matter may not exceed the materiality threshold as specified in point (a) above;
- (c) all outstanding civil litigation / arbitration proceedings involving our Promoter, which have been considered material as per our Promoter’s materiality policy adopted in accordance with the SEBI LODR Regulations, have been considered as material; and
- (d) all outstanding civil litigation / arbitration proceedings involving the Relevant Parties, the outcome of which could have a material adverse effect on the position, business, operations, prospects, or reputation of our Company, irrespective of the amount involved in such litigation, has been considered as material.

Further, except as disclosed in this section, there are no (i) disciplinary actions (including penalties imposed) and outstanding actions taken against our Promoter by SEBI or stock exchanges in the five Fiscal Years preceding the date of this Draft Red Herring Prospectus; or (ii) litigation involving any Group Companies which may have a material impact on our Company.

For the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties shall, unless otherwise decided by our Board, not be considered as material until such time the Relevant Party is impleaded as a party in litigation before any judicial or arbitral forum. Further, first information reports (whether cognizance has been taken or not) filed against the Relevant Parties shall be disclosed in this Draft Red Herring Prospectus.

Further, in accordance with the Materiality Policy, our Company has considered such creditors ‘material’ to whom the amount due is equal to or in excess of 5% of the consolidated trade payables of our Company as at the end of the most recent period covered in the Restated Consolidated Financial Information. In terms of the Restated Consolidated Financial Information, the trade payables of our Company as on March 31, 2023 was ₹ 1,394.72 million. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹ 69.74 million (being 5% of the consolidated trade payables) as on March 31, 2023. 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.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

#### A. LITIGATION INVOLVING OUR COMPANY

##### I. Litigation by our Company

#### *Criminal proceedings by our Company*

1. Our Company has filed 23 cases under Section 138 of the Negotiable Instruments Act, 1881 in relation to dishonour of cheques issued by its business partners, lessors/licensor or customers. The aggregate amount involved in these matters is ₹ 65.12 million. The matters are pending before various forums at various stages of adjudication.
2. Our Company filed a complaint (“**Complaint 1**”) dated September 2, 2015 against Amit Kumar Tomar, one of its former employees (“**Accused**”) before the Station House Officer, Police Station, Vasant Vihar, New Delhi (“**SHO**”) alleging *inter alia* that the Accused had committed a fraud of ₹ 0.32 million by creating forged documents, which was admitted in fact by the Accused in a letter dated August 24, 2015 (“**Letter**”) and that despite agreeing to pay a sum of ₹ 0.24 million as partial liability pursuant to the Letter, the Accused had not paid any amount to the Company. Upon failure of the SHO to register a first information report (“**FIR**”) pursuant to the Complaint 1, our Company filed a complaint (“**Complaint 2**”) dated February 12, 2016, before the Deputy Commissioner of Police, Police Station, Vasant Vihar, New Delhi (“**Deputy Commissioner**”) requesting the Deputy Commissioner to direct the SHO to lodge an FIR against the Accused. Due to the lack of any action taken by the Deputy Commissioner pursuant to the Complaint 2, our Company filed a complaint dated March 30, 2016, under Section 200 of the CrPC before the Additional Chief Metropolitan Magistrate, Patiala House Courts, New Delhi (“**Magistrate**”) praying *inter alia* for the Magistrate to take cognizance of the matter and punish the Accused. The Magistrate, pursuant to its order dated July 10, 2020, ordered the SHO to register an FIR against the Accused and investigate the matter. Subsequently, the SHO registered an FIR dated August 17, 2020 against the Accused. The matter is currently pending.
3. Our Company filed a complaint (“**Complaint**”) dated July 31, 2020 before the Officer-in-charge, Electronics Complex Police Station, Kolkata (“**Officer**”) against Tathagatha Singha Roy (“**Accused**”) alleging that the Accused had falsely represented himself as an agent of our Company and forged certain reports and receipts using the brand name of our Company for the purpose of cheating, thereby harming the reputation of our Company and causing financial loss. The matter is currently pending.
4. For details regarding the petition dated July 16, 2020 before the High Court of Punjab and Haryana at Chandigarh filed by our Company against the State of Haryana, see “*Litigation involving our Company – Litigation against our Company – Actions by statutory or regulatory authorities against our Company*” on page 355.

#### *Other material proceedings by our Company*

1. Our Company entered into a Master Phlebotomy Centre Agreement dated April 1, 2013 (“**Agreement**”) with RWL Healthworld Limited (“**RWL**”) pursuant to which RWL agreed to provide phlebotomy services to our Company through the various centers of RWL on the terms and conditions as mentioned in the Agreement. Our Company terminated the Agreement pursuant to a termination notice dated November 17, 2018 (“**Termination Notice**”), calling upon RWL to reconcile the accounts and settle the outstanding service charges. Due to the failure of RWL to reconcile the accounts and respond to the Termination Notice and various reminder emails, our Company invoked arbitration proceedings (“**Proceedings**”) pursuant to an arbitration notice (“**Notice**”) dated May 7, 2019 under the Agreement for recovery of the outstanding amount of ₹ 5.69 million. The Proceedings commenced *ex-parte* due to the refusal of RWL to appear before the sole arbitrator nominated pursuant to the Notice. Due to the postponement of the continuation of the Proceedings on account of the COVID-19 pandemic, our Company filed a petition dated January 7, 2021 before the High Court of Judicature at Delhi (“**Delhi High Court**”) for extension of the time period to decide the Proceedings. Pursuant to an order of the Delhi High Court dated January 13, 2022, another sole arbitrator (“**Arbitrator**”) was appointed, and the Proceedings continued. RWL subsequently filed a counterclaim (“**Counterclaim**”) dated July 22, 2022, before the Arbitrator, alleging *inter alia* that the Termination Notice was illegally issued and claiming damages amounting to ₹ 30.00 million and further amounts becoming due under the terms of the Agreement till the period of its continued operation. Our Company filed a statement of defence to the Counterclaim (“**Statement of Defence**”) dated September 28, 2022 denying the claims made pursuant to the Counterclaim and stating *inter alia* that the Agreement was terminated in accordance with the provisions of the Agreement and the termination was hence valid and legal. Our Company, in the Statement of Defence, prayed for an order dismissing the claims of RWL with exemplary costs in favour

of our Company. The matter is currently pending.

## II. *Litigation against our Company*

### *Criminal proceedings against our Company*

1. Dr. Anil Bansal (“**Complainant**”) filed a complaint dated March 30, 2003 (“**Complaint**”) before the Police Station, Chatta, Agra against our Company and others (“**Accused**”) alleging *inter alia* that the Accused committed breach of contract by terminating the services rendered by the Complainant to the Accused pursuant to an agreement dated June 17, 2001 and have thereby cheated him. Subsequently, the Additional Chief Judicial Magistrate, Agra, by its order dated May 12, 2003 (“**Order**”) summoned the Accused to face trial. The matter is currently pending.
2. Pursuant to a search conducted by a local lawyer engaged by our Company, we have been advised that our Company has been named in a complaint (“**Complaint**”) pertaining to allegations of criminal negligence, pursuant to which a criminal proceeding is ongoing before the Metropolitan Magistrate, Rohini, Delhi (“**Magistrate Court**”). However, as on date of this Draft Red Herring Prospectus, our Company has not received any notice or communication from the Magistrate Court, in this regard. The matter is currently pending.
3. For details regarding the first information report filed against our Company for alleged violations of the Disaster Management Act, 2005, see “*Litigation involving our Company – Litigation against our Company – Actions by statutory or regulatory authorities against our Company*” on page 355.

### *Actions by statutory or regulatory authorities against our Company*

1. A news channel conducted a sting operation (“**Sting**”) on certain diagnostic centres, which was aired on July 21, 2014. Subsequently, the Medical Council of India (“**MCI**”) issued a letter dated July 23, 2014 (“**MCI Letter**”) to our Company requiring certain information on two of our diagnostic centres in relation to the Sting. Our Company submitted its reply to the MCI Letter on July 24, 2014, stating that there was no sting operation conducted at the diagnostic centres mentioned in the MCI Letter. On August 1, 2014, the Directorate General of the Central Government Health Scheme (“**Directorate General**”) issued an office memorandum (“**Office Memorandum**”) noting that the Ethics Committee of the MCI, upon conducting an enquiry into the Sting, submitted an interim report *prima facie* finding nine diagnostic centres to be involved in unethical medical practices. Pursuant to the Office Memorandum, the Directorate General withdrew the empanelment of certain diagnostic centres, including certain diagnostic centres (“**Diagnostic Centres**”) belonging to our Company, with the Central Government Health Scheme Delhi (“**CGHS**”), pending investigation by the MCI. Our Company submitted its reply dated August 11, 2014 (“**CGHS Reply**”) to the Office Memorandum before the Directorate General stating that our Company was not aware of any sting operation conducted at any of the Diagnostic Centres and praying for withdrawal of the orders passed pursuant to the Office Memorandum. Further, our Company, pursuant to its letter dated September 26, 2014 to the Directorate General clarified that the Sting was conducted at the diagnostic centres of Agilus Pathlabs Private Limited (“**Agilus Pathlabs**”), one of our Subsidiaries, and not at our Company and accordingly requested the Director General to reconsider the withdrawal of the empanelment of the Diagnostic Centres. Further, our Company issued various letters the Joint Secretary, Ministry of Health and the Additional Director, CGHS to reconsider the orders passed pursuant to the Office Memorandum and allow all the diagnostic centres of our Company to accept business from CGHS and other government agencies. In furtherance to all previous correspondence, our Company by a letter dated April 7, 2022 to the Director, CGHS reiterated that our Company had been erroneously named in the Sting and requested to set aside the Office Memorandum. Our Company has not received any further correspondence from the Director, CGHS. The matter is currently pending.

The Directorate General of Health Service (“**DGHS**”) issued two notices (“**DGHS Notices**”), both dated August 8, 2013, to two of the Diagnostic Centres requesting them to send their version with supported evidence on the Sting. Our Company submitted replies (“**DGHS Replies**”) dated August 14, 2014 and August 20, 2014 respectively to each of the DGHS Notices seeking clarification on the information required from our Company as we were not aware of any sting operation conducted at the respective Diagnostic Centres and reiterating the contents of the CGHS Reply. The DGHS, pursuant to its letter dated August 22, 2014, acknowledged the receipt of the DGHS Replies and directed our Company to fill

in a proforma for providing information about our Company. Subsequently, the DGHS issued a notice dated September 9, 2014 to our Company to appear before the committee along with relevant documents. Our Company, pursuant to its letter dated September 24, 2014, submitted the requisite documents and clarified that the Sting was conducted at the diagnostic centres of Agilus Pathlabs, and not at our Company. Our Company has not received any further notice from the DGHS. The matter is currently pending.

2. The Haryana Medical Services Corporation Limited (“HMSCL”) issued a show cause notice (“SCN”) dated April 20, 2020 to our Company noting that there had been multiple instances of reporting error in the lab reports of COVID-19 samples by our laboratory and suspending the operations of COVID-19 testing being carried out by our Company pursuant to a memorandum of understanding (“MoU”) dated April 4, 2020 signed between our Company and HMSCL. Our Company filed a reply dated April 21, 2020, to the SCN requesting HMSCL to vacate the SCN and stating *inter alia* that upon repeat testing, it has been verified that all the perused results were correct. Pursuant to a memorandum dated April 21, 2020, HMSCL cancelled the MoU. Subsequently, the Enquiry Committee, Office of the Civil Surgeon, Gurugram (“Enquiry Committee”) issued a letter dated April 22, 2020, to our Company directing our Company to appear before the Enquiry Committee in relation to the alleged misreporting of COVID-19 samples by our Company. Our Company, pursuant to its letter dated April 23, 2020, to the Enquiry Committee, confirmed that its representatives had appeared before the Enquiry Committee and agreed to share the requisite samples with the Enquiry Committee to be cross checked. While the Enquiry Committee has concluded its investigation, we have not been provided with a final report as on date of this Draft Red Herring Prospectus.

Subsequently, a first information report (“FIR”) dated July 9, 2020, was lodged against our Company by the Officer in-charge, Police Station: Sector-17/18, Gurugram pursuant to a complaint dated July 9, 2020, filed by the Civil Surgeon, Gurugram for alleged violations under the Disaster Management Act, 2005 for misreporting of COVID-19 samples. Our Company filed a petition (“Petition”) dated July 16, 2020, before the High Court of Punjab and Haryana at Chandigarh (“High Court”) against the State of Haryana *inter alia* seeking quashing of the FIR on the grounds that *inter alia* the FIR was an abuse of process and was based on surmises and conjectures. The State of Haryana filed a reply dated August 20, 2020 denying the contents of the Petition and stating *inter alia* that matter was still under investigation and as such, our Company was not entitled to approach the High Court to get the FIR quashed. Further, the Centre for Covid-19 Patients Interest Litigation filed an application dated August 20, 2020 before the High Court seeking permission to intervene in the Petition and to contribute in the adjudication of the Petition as it is a public charitable trust founded in order to represent the interest of unrepresented COVID-19 patients and the issue involved in the Petition directly involves the health of the citizens of India. The matter is currently pending.

A cancellation report in relation to the FIR has been filed before the trial court. The matter is currently pending.

3. Our Company has received a notice dated March 13, 2019, from the Serious Fraud Investigation Office (“SFIO”), calling for information in relation to the investigation being conducted into the affairs of our Promoter (“Notice”). Our Company was directed to provide (i) certain information and documents in relation to the issue of equity shares by our Company in 2010-11 (ii) certain information and documents in relation to the share purchase, share allotment and debenture subscription agreement dated July 13, 2010 entered into amongst our Company, Piramal Healthcare Limited, Bhavin Jankharia, Avinash Phadke and Agilus Pathlabs Private Limited, and (iii) the details of loans received/repaid, loans given and investments made by our Company in the last eight financial years preceding the date of the Notice. Our Company through a reply letter dated March 18, 2019, provided the documents/information requested by the SFIO. Our Company has not received any further communication from the SFIO in this regard.

#### *Other material proceedings against our Company*

1. Daiichi Sankyo Company, Limited (“Daiichi”) filed an application (“Application”) dated July 6, 2020 before the High Court of Judicature at Delhi (“High Court”) against Shivinder Mohan Singh (“Respondent 1”), RHC Holdings Private Limited (“Respondent 2”) and others (“Respondents”) seeking, *inter alia*, directions against the Respondents and their group companies in relation to the trademark ‘SRL’ and allied trademarks (“Marks”). The Application was filed in proceedings relating to



certain judgments of the High Court and the Supreme Court affirming an arbitral award dated April 29, 2016 (“**Award**”) granting damages in favour of Daiichi and dismissing the objections against enforcement of the Award filed by the Respondents. Daiichi, in the Application, alleged *inter alia* that (i) the Respondent 2, being the owner and proprietor of the Marks, failed to disclose its ownership of the Marks; (ii) as the Respondent 2, by way of an assignment deed dated December 29, 2017, had transferred, and assigned the Marks to its group company, Headway Brands Private Limited (“**Headway Brands**”), Respondent 2 continues to indirectly own the Marks; and (iii) the Respondents are intentionally trying to defeat the interest of Daiichi in the Marks. Daiichi prayed for the High Court to *inter alia* restrain the Respondents/ Headway Brands from creating any third-party interest in the Marks and issue directions to Respondent 2 for sale of the Marks. The High Court, in its order dated July 8, 2020 (“**High Court Order**”), restrained Headway Brands from creating any third-party rights in the Marks. Our Company filed a reply (“**Reply**”) dated September 25, 2020, to the Application seeking to be impleaded as a respondent and a necessary party to the Application and to file the Reply, as it had been granted the right to use the Marks through a brand license agreement dated November 10, 2015 (“**Agreement**”) and hence had subsisting rights and interest in the Marks. Our Company, through the reply, prayed for *inter alia* dismissal of the Application with respect to the reliefs for sale of the Marks and with respect to any reliefs affecting the rights and interest of our Company. Daiichi filed a rejoinder (“**Rejoinder**”) dated December 3, 2021 to the Reply denying the contents of the Reply and stating *inter alia* that our Company has no locus to challenge the Application. Our Company filed a sur-rejoinder to the Rejoinder dated January 24, 2022, stating *inter alia* that, Daiichi had, in a separate matter before the Supreme Court wherein our Company has sought approval to adopt another brand and discontinue the Marks, accorded that it had no objection to the extended use of the Marks by our Company. Further, Daiichi filed an application (“**Urgency Application**”) dated September 25, 2023 before the High Court against *inter alia* our Company, Agilus Pathlabs and Fortis seeking directions for appointment of a court commissioner for the purpose of carrying out the sale of the Marks, or, in the alternative, for early hearing of the Application. The High Court has not issued any notice in respect of the Urgency Application. The matter is currently pending.

The Respondent 1, through his wife Aditi S. Singh, filed two applications (“**Respondent Applications**”) dated May 23, 2023 and May 29, 2023 respectively before the High Court against our Company, Agilus Pathlabs Private Limited (one of our Subsidiaries) (“**Agilus Pathlabs**”), Fortis Healthcare Limited (our Promoter) (“**Fortis**”), and Daiichi in relation to our Company’s intended replacement of the use of the Mark with ‘Agilus’ and its related marks. The Respondent 1 alleged *inter alia* that our Company continues to illegally use and enjoy the Marks despite the expiry of the Agreement without any payment of the brand license fee and that the intended discontinuation of the use of the Marks would be violative of the High Court Order and would be detrimental to the brand value of the Marks. The Respondent 1 prayed *inter alia* for (i) an order restraining our Company, Agilus Pathlabs and Fortis from discontinuing the use of the Marks and/or acting in any manner detrimental to the value of the Marks; (ii) an order directing the sale of the Marks; (iii) an order directing our Company and Agilus Pathlabs Private Limited to deposit the brand license fee due and payable under the Agreement aggregating to ₹ 62.93 million and ₹ 51.15 million respectively along with interest; (iv) an order directing our Company and Agilus Pathlabs to deposit an appropriate amount with the High Court every month till the sale of the Marks; and (iv) an order restraining our Company from claiming/propagating that the Marks have been rebranded to ‘Agilus’. The High Court, pursuant to its order dated May 26, 2023 (“**May Order**”), directed our Company to not act in any matter to diminish the value of the Marks. Additionally, our Company filed an affidavit dated June 2, 2023 before the High Court stating *inter alia* that our Company has transitioned to the “Agilus Diagnostics” brand and that our Company and Agilus Pathlabs have deposited the outstanding brand license fees from the Financial Year 2017-2018 to the Financial Year 2020-2021 (“**Brand Fees**”). The High Court has not passed any orders in the abovementioned applications that restrain us from transitioning our brand. Respondent 1 also sought further damages in addition to the sums deposited by our Company, but no such directions have been issued by the High Court in this regard. The High Court had appointed a valuer to conduct the valuation of the Marks with a view towards auction of the same. The valuer had prepared a valuation report for the Marks which was filed before the High Court. The matter is pending adjudication.

Subsequently, Daiichi filed a contempt petition (“**Contempt Petition**”) dated June 20, 2023 before the High Court against *inter alia* our Company, Agilus Pathlabs Private Limited, certain of our Directors i.e., Ravi Rajagopal, Anand Kuppaswamy, Suvalaxmi Chakraborty, Dr. Ashutosh Raghuvanshi and Dilip Kadambi, our Promoter and the Respondents (“**Contemnors**”) seeking initiation of contempt proceedings for wilful disobedience of the May Order. Daiichi alleged that certain advertisements issued

by our Company in relation to change in brand name (“**Advertisements**”) were in breach of the May Order and diluted and/or damaged the value of the Marks beyond repair. Daiichi, prayed for the High Court to *inter alia* punish the Contemnors for wilfully disobeying the May Order, direct the Contemnors to immediately withdraw/ remove all the Advertisements, restrain the Respondents from taking any steps to diminish the value of the Marks and direct the Respondents to deposit before the High Court damages in the form of compensation for diminishing and/or damaging the value of the Marks. We have filed multiple affidavits before the High Court demonstrating our compliance with the directions of the High Court, including in relation to the manner in which the brand transition exercise has been undertaken and all the steps that have been taken to move to the Agilus brand. The High Court has not issued any notice in respect of the Contempt Petition. In relation to the May Order and the Contempt Petition, our Company filed an application (“**Company Application**”) dated June 30, 2023 before the High Court denying the allegations made in the Contempt Petition and claiming *inter alia* that the direction of the May Order was generally not to diminish the value of the Marks, after having taken note that our Company was transitioning into the brand ‘Agilus’, and did not restrain our Company from discontinuing the Marks. Pursuant to the Company Application, our Company prayed for *inter alia* appropriate orders and directions, including if required, to clarify that to the transition from the Marks to the brand ‘Agilus’. The matter is currently pending. For further details, in relation to the proceedings initiated against our Promoter, see “*Litigation involving our Promoter – Litigation against our Promoter – Other material proceedings against our Promoter*” on page 370.

In relation to orders of the High Court dated August 11, 2023 and August 17, 2023 (“**August Orders**”) directing release of the Brand Fees in favour of Daiichi, Chandra Shekhar Jha, an ex-director of Headway Brands, a company whose name has been admittedly struck off from the records of registrar of companies in 2022, has filed an application dated September 14, 2023 before the High Court against *inter alia* our Company and Agilus Pathlabs seeking *inter alia* modification of the August Orders to allow Chandra Shekhar Jha/Headway Brands to withdraw the Brand Fees already deposited by our Company, order directing the payment of license fees and damages aggregating to ₹ 3,629.30 million to be paid by our Company and Agilus Pathlabs for use of the Marks, and for an inquiry to be conducted into the impact of our Company’s brand transition on the valuation of the Marks. The High Court by its order dated September 25, 2023, while issuing notice on the said application recorded the preliminary objections of our Company that the application (i) is not maintainable and (ii) our Company and Agilus Pathlabs are not a necessary party. Parties named in the said application have been allowed time to file a reply to it. The matter is currently pending.

2. Participation Finances & Holding (India) Limited (“**Plaintiff**”) filed a suit (“**Suit**”) dated February 26, 2018 before the District Judge, Patiala House District Court, New Delhi (“**District Judge**”), against our Company, Fortis Healthcare Limited and others (“**Defendants**”) alleging *inter alia* that the Defendants were attempting to alienate, encumber or otherwise create a lien on the brands ‘Fortis’, ‘SRL’ and ‘La Femme’ (“**Brands**”), which had been collateralised as financial security to the Plaintiff by Fortis Healthcare Limited pursuant to certain acquisition agreements, in order to circumvent the Plaintiff’s rights and interest *qua* the Brands. The Plaintiff prayed for *inter alia* a decree declaring that the Plaintiff has an implied ownership over the Brands and for necessary orders restraining the Defendants from alienating, altering or prejudicing the Brands. Our Company filed a written statement dated May 26, 2018 before the District Judge denying all allegations made against it and stating *inter alia* that the Plaintiff has failed to establish any ownership of the Brands as it has not annexed any documents to substantiate such ownership. Further, there was no contractual relationship between the Plaintiff and our Company in relation to the Plaintiff’s right to claim ownership over the Brands. The matter is currently pending. For further details, in relation to the proceedings initiated against our Promoter, see “*Litigation involving our Promoter – Litigation against our Promoter – Other material proceedings against our Promoter*” on page 370.
3. Pardeep Singh and Manpreet Kaur (“**Complainants**”) filed a consumer complaint dated July 24, 2017 (“**Complaint**”) before the National Consumer Disputes Commission, New Delhi (“**Commission**”) against *inter alia* our Company and one of its advisors alleging medical negligence and deficiency in service due to issuing of a false report, making an erroneous diagnosis and failing to adequately advise the Complainants. The Complainants have sought compensation amounting to ₹ 205.00 million. Our Company has filed a written statement dated January 15, 2019, before the Commission denying the allegations made in the Complaint and stating that the report issued was correct and any negligence on the part of the treating doctors could not be imputed upon our Company. The matter is currently pending.

4. Virendra Bijlwan (“**Complainant**”) filed a consumer complaint (“**Complaint**”) dated October 15, 2019, before the National Consumer Disputes Redressal Commission, New Delhi (“**Commission**”) against our Company alleging mental shock and financial loss due to a wrong report issued by our Company, and claiming damages amounting to ₹ 291.08 million along with interest. Our Company filed a written statement dated February 26, 2020, stating *inter alia* that the responsibility of issuance of report was not vested with our Company and that the treating hospital and treating doctors should have been impleaded in the Complaint instead of our Company. The matter is currently pending.
5. Sarabjit Singh, Paramjit Kaur and Armaan Grewal (“**Complainants**”) filed a consumer complaint (“**Complaint**”) dated September 14, 2022 before the District Consumer Dispute Redressal Commission, Ludhiana (“**Commission**”) against *inter alia* our Company and Bagga Nursing Home (“**Defendants**”) alleging medical mismanagement and negligence due to failure by the Defendants to disclose the report of a blood test that had been conducted and administering incorrect treatment. The Complainants claimed compensation from the Defendants for an amount of ₹ 19.40 million. The Commission thereafter issued a summons on March 21, 2023, to the Defendants calling upon them to appear before the Commission. Our Company filed an affidavit in evidence dated May 4, 2023, denying the allegations contained in the Complaint and stating that there is no clear allegation levelled in the Complaint against our Company and that there is no evidence to show any negligence at the hands of our Company. The matter is currently pending.
6. Sanjeiiv Geeta Chaudhry (“**Claimant**”) filed an application (“**Application**”) dated April 9, 2019 before the National Company Law Tribunal, Chandigarh (“**NCLT**”) to initiate corporate insolvency resolution process in respect of our Company under the Insolvency and Bankruptcy Code, 2016 (“**IBC**”), claiming an amount of ₹ 363.78 million as amounts due and payable to the Claimant on account of *inter alia* short salary payment, amounts due as contribution towards the provident fund account of the Claimant, loss on account of inability of the Claimant to sell certain stock options granted to him and amounts due to be paid pursuant to a technology transfer agreement dated June 25, 2009 entered into between the Claimant and Agilus Diagnostics FZ LLC, one of the Subsidiaries of our Company. Our Company filed a reply dated July 16, 2019, to the Application, stating *inter alia* that the Application was based on forged, fabricated and false documents and that the Claimant failed to establish the alleged claim as required under the IBC. Subsequently, our Company filed a perjury application (“**Perjury Application**”) dated January 6, 2020, before the NCLT, praying for initiation of criminal proceedings against the Claimant on account of perjury committed by the Claimant by making false averments in the Application and submitting documentation which is false and incorrect and has been manipulated to give a false and misleading impression. The Claimant filed a reply dated January 22, 2020 to the Perjury Application stating *inter alia* that the documentation in question was neither false nor fabricated and was not the sole basis of the alleged claims of the Claimant. The matter is currently pending.

#### *Tax proceedings involving our Company*

A summary table of the cases relating to direct and indirect taxes involving our Company is set forth below:

Nature of case	Number of cases	Amount in dispute/demand (in ₹ million, to the extent quantifiable)
Direct tax	16	684.80
Indirect tax	2	96.55
<b>Total</b>	<b>18</b>	<b>781.35</b>

In addition, set forth hereunder is a description of the tax matters involving our Company in which the aggregate monetary amount involved is equivalent to or exceeds ₹ 11.66 million:

1. The Additional, Commissioner of Income Tax, New Delhi by its order dated December 24, 2008, assessed the taxable income of our Company for the assessment year 2006-07 by disallowing certain expenses claimed by our Company on account of not deducting tax deductible at source, and made a demand of ₹ 15.82 million along with penalty and interest (“**Assessment Order**”). Our Company filed an appeal before the Commissioner of Income Tax (Appeals), New Delhi (“**CIT-A**”) against the Assessment Order, which the CIT-A by its order dated November 12, 2010, partly allowed (“**CIT-A Order**”). Our Company filed an appeal before the Income Tax Appellate Tribunal, Delhi (“**Tribunal**”) against the CIT-A Order, which the Tribunal by its order December 16, 2011, allowed in its entirety and rejected the tax demand/penalty imposed on our Company (“**Tribunal Order**”). The Income Tax

Department filed an appeal against the Tribunal Order before the High Court of Judicature at New Delhi. The matter is currently pending.

2. The Additional Commissioner of Income Tax, New Delhi by its order dated December 10, 2010, assessed the taxable income of our Company for the assessment year 2007-08 by disallowing certain expenses claimed by our Company on account of not deducting tax deductible at source on such payments, and made a demand of ₹125.61 million along with penalty and interest (“**Assessment Order**”). Our Company filed an appeal before the Commissioner of Income Tax (Appeals), New Delhi (“**CIT-A**”) against the Assessment Order, which the CIT-A by its order dated February 11, 2013, partly allowed (“**CIT-A Order**”). Our Company filed an appeal before the Income Tax Appellate Tribunal, New Delhi (“**Tribunal**”) against the CIT-A Order, which the Tribunal by its order April 13, 2018, allowed partly and partly remanded back to the CIT-A stating that the lower courts had failed to consider the documents and evidence furnished by our Company (“**Tribunal Order**”). The matter is currently pending.
3. The Deputy Commissioner of Income Tax, New Delhi by its order dated December 20, 2010, assessed the taxable income of our Company for the assessment year 2008-09 by disallowing certain expenses claimed by our Company on account of not deducting tax deductible at source, and made a demand of ₹ 81.53 million along with penalty and interest (“**Assessment Order**”). Our Company filed an appeal before the Commissioner of Income Tax (Appeals), New Delhi (“**CIT-A**”) against the Assessment Order, which the CIT-A by its order dated March 20, 2012, allowed in its entirety (“**CIT-A Order**”). The income tax department has filed an appeal before the Income Tax Appellate Tribunal, New Delhi (“**Tribunal**”) against the CIT-A Order, which the Tribunal by its order May 7, 2015, confirmed in its entirety (“**Tribunal Order**”). The Principal Commissioner of Income Tax filed an appeal against the Tribunal Order before the High Court of Judicature at New Delhi (“**High Court**”). The matter is currently pending.
4. The Income Tax Officer (TDS), Mumbai, by its order dated March 11, 2011, assessed the taxable income of our Company for the assessment year 2008-09 by disallowing certain expenses claimed by our Company on account of not deducting tax deductible at source, and made a demand of ₹ 45.70 million along with penalty and interest (“**Assessment Order 1**”). Additionally, the Income Tax Officer (TDS), Mumbai, by its order dated March 11, 2011, assessed the taxable income of our Company for the assessment year 2009-10 by disallowing certain expenses claimed by our Company on account of not deducting tax deductible at source, and made a demand of ₹ 53.18 million along with penalty and interest (“**Assessment Order 2**” and collectively with Assessment Order 1, the “**Assessment Orders**”). Our Company filed an appeal before the Commissioner of Income Tax (Appeals), Mumbai (“**CIT-A**”) against the Assessment Orders, which the CIT-A by its order dated April 11, 2014, partly allowed the appeal filed by our Company (“**CIT-A Order**”). The income tax department has filed an appeal before the Income Tax Appellate Tribunal, Mumbai (“**Tribunal**”) against the CIT-A Order, which the Tribunal by its order September 30, 2016, dismissed in its entirety (“**Tribunal Order**”). The Commissioner of Income Tax(TDS) filed an appeal against the Tribunal Order before the High Court of Judicature at Mumbai (“**High Court**”), which the High Court by its order dated October 21, 2021, dismissed in its entirety. The Commissioner of Income tax filed two special leave petitions before the Supreme Court of India (“**Supreme Court**”), in relation to which our Company has filed two counter affidavits both dated June 7, 2023, with the Supreme Court. The matter is currently pending.
5. The Deputy Commissioner of Tax, New Delhi, by its order dated January 31, 2013, assessed the taxable income of our Company for the assessment year 2008-09 by disallowing certain expenses claimed by our Company on account of not deducting tax deductible at source, and made a demand of ₹ 61.43 million along with penalty and interest (“**Assessment Order**”). Our Company filed an appeal before the Commissioner of Income Tax (Appeals), New Delhi (“**CIT-A**”) against the Assessment Order, which the CIT-A by its order dated January 19, 2015, allowed in its entirety (“**CIT-A Order**”). The Deputy Commissioner of Tax, New Delhi has filed an appeal before the Income Tax Appellate Tribunal, New Delhi (“**Tribunal**”) against the CIT-A Order, which the Tribunal by its order June 27, 2018, dismissed in its entirety (“**Tribunal Order**”). The Principal Commissioner of Income Tax, New Delhi filed an appeal against the Tribunal Order before the High Court of Judicature at Delhi (“**High Court**”). The matter is currently pending.
6. The Joint Commissioner of Income Tax, New Delhi by its order dated December 29, 2011, assessed the taxable income of our Company for the assessment year 2009-10 by disallowing certain expenses claimed by our Company on account of not deducting tax deductible at source, and made a demand of ₹

131.87 million along with penalty and interest (“**Assessment Order**”). Our Company filed an appeal before the Commissioner of Income Tax (Appeals), New Delhi (“**CIT-A**”) against the Assessment Order, which the CIT-A by its order dated March 4, 2013, partly allowed (“**CIT-A Order**”). Our Company and the Joint Commissioner of Income Tax, both filed an appeal before the Income Tax Appellate Tribunal, New Delhi (“**Tribunal**”) against the CIT-A Order. The Tribunal by its order April 25, 2018, allowed the appeal filed by our Company and rejected the tax demand/penalty imposed on our Company (“**Tribunal Order**”) and also rejected the appeal filed by the Joint Commissioner of Income Tax. The Income Tax Department filed an appeal against the Tribunal Order before the High Court of Judicature at New Delhi. The matter is currently pending.

7. The Deputy Commissioner of Income Tax, New Delhi by its order dated March 17, 2013, assessed the taxable income of our Company for the assessment year 2010-11 by disallowing certain expenses claimed by our Company on account of not deducting tax deductible at source, and made a demand of ₹73.84 million along with penalty and interest (“**Assessment Order**”). Our Company filed an appeal before the Commissioner of Income Tax (Appeals), New Delhi (“**CIT-A**”) against the Assessment Order, which the CIT-A by its order dated January 20, 2015, allowed in its entirety and rejected the tax demand/penalty imposed on our Company (“**CIT-A Order**”). The Deputy Commissioner of Income Tax, New Delhi filed an appeal before the Income Tax Appellate Tribunal, New Delhi (“**Tribunal**”) against the CIT-A Order. The Tribunal by its order May 31, 2018, rejected the appeal filed by Deputy Commissioner of Income Tax, New Delhi and confirmed the order of the CIT-A Order (“**Tribunal Order**”). The Principal Commissioner of Income Tax filed an appeal against the Tribunal Order before the High Court of Judicature at New Delhi. The matter is currently pending.
8. The Deputy Commissioner of Income Tax, New Delhi by its order dated March 24, 2015, assessed the total loss of our Company for the assessment year 2011-12 by disallowing certain expenses claimed by our Company on account of not deducting tax deductible at source (“**Assessment Order**”). A penalty notice dated March 24, 2015 was issued to our Company. Our Company filed an appeal before the Commissioner of Income Tax (Appeals), New Delhi (“**CIT-A**”) against the Assessment Order, which the CIT-A by its order dated April 21, 2015, allowed in its entirety (“**CIT-A Order**”). The income tax department filed an appeal before the Income Tax Appellate Tribunal, New Delhi (“**Tribunal**”) against the CIT-A Order. The matter is currently pending.
9. The Income Tax Officer, by its order dated April 8, 2021, assessed the total income of our Company for the assessment year 2018-19 by disallowing certain expenses deducted by our Company as share based employee payments and made a demand of ₹17.21 million along with penalty and interest (“**Assessment Order**”). Our Company filed an appeal before the Commissioner of Income Tax (Appeals), New Delhi (“**CIT-A**”) against the Assessment Order. The matter is currently pending. Further, our Company has filed an appeal against the intimation order dated August 19, 2020 and proposing to process the return of income filed by our Company for assessment year 2018-19 and disallow certain expenses incurred by our Company for the said assessment year.
10. The Deputy Commissioner of Income Tax, New Delhi by its order dated March 9, 2023, assessed the total income of our Company for the assessment year 2018-19 by disallowing certain expenses claimed by our Company on account of not deducting tax deductible at source and made a demand of ₹ 12.84 million (“**Assessment Order**”). Our Company filed an appeal before the Commissioner of Income Tax (Appeals), New Delhi (“**CIT-A**”) against the Assessment Order. The matter is currently pending.
11. The Income Tax Officer by its order dated September 19, 2022, assessed the total income of our Company for the assessment year 2020-21 by disallowing certain expenses deducted by our Company such as provisions made for gratuity payments owed by the Company, change in the book value of investment made by our Company and share based employee payments (“**Assessment Order**”). Our Company filed an appeal before the Commissioner of Income Tax (Appeals) (“**CIT-A**”) against the Assessment Order in relation to a disputed addition of income of ₹ 24.74 million. The matter is currently pending.
12. The Commissioner of Central tax, CGST by its order dated February 18, 2022 (“**GST Order**”), held that the services provided by our Company by operating the pathology lab at Fortis Memorial Research Institute for the period from October, 2014 to June, 2017 were subject to service tax under the heading of support services and imposed a demand of service tax of ₹ 44.22 million. Additionally, the GST Order has also imposed penalty and interest on our Company. Our Company has filed an appeal before the

Customs, Excise and Service Tax Appellate Tribunal, Chandigarh. The matter is currently pending.

## **B. LITIGATION INVOLVING OUR SUBSIDIARIES**

### **I. Litigation by our Subsidiaries**

#### *Criminal proceedings by our Subsidiaries*

##### **Agilus Pathlabs Private Limited (“Agilus Pathlabs”)**

1. Agilus Pathlabs has filed one case under Section 138 of the Negotiable Instruments Act, 1881 in relation to dishonour of cheques issued by T. Kannan. The amount involved in the matter is ₹ 5.00 million. The matter is pending before the High Court of Bombay.
2. Agilus Pathlabs filed a complaint dated March 29, 2008 before the Police Station Incharge, Police Station Pratapnagar, Jodhpur City (“**Police Station**”) against Anurag Gupta (“**Accused**”) alleging that the Accused assaulted and threatened the employees working in one of the collection centres (“**Centre**”) of Agilus Pathlabs and stole certain items and records from the Centre. Subsequently, the Police Station registered a first information report dated March 29, 2008 against the Accused. The matter is currently pending however, no court records are traceable in relation to this matter.

##### **DDRC Agilus Pathlabs Limited (“DDRC”)**

1. DDRC has filed one case under Section 138 of the Negotiable Instruments Act, 1881 in relation to dishonour of cheques issued by M/s. White Square. The amount involved in the matter is ₹ 0.27 million. The matter is pending before the Judicial First Class Magistrate’s Court (NI Act Cases), Ernakulam.
2. DDRC filed a complaint dated March 10, 2023 before the Assistant Commissioner, Ernakulam Town South Police Station against one of its former employees (“**Accused**”) alleging *inter alia* that the Accused had misused and misappropriated the prepaid fuel cards given to him and had illegally misappropriated an amount of ₹ 0.14 million from DDRC by creating the false impression from time to time that he had filled more fuel in the vehicle belonging to DDRC entrusted to him than was actually filled, hence artificially inflating the expenses claimed by him. The matter is currently pending.
3. DDRC filed a complaint (“**Complaint 1**”) dated February 1, 2019, before the Additional Chief Judicial Magistrate’s Court (E.O), Ernakulam (“**ACJM**”) against Dhiraj Dhinraj (“**Accused**”) alleging *inter alia* that the Accused induced DDRC to conduct various medical tests worth ₹ 0.14 million for the Accused and failed to pay the amount due to DDRC. The ACJM, pursuant to an order dated February 6, 2019 forwarded the Complaint 1 for investigation to the Station House Officer, Ernakulam Town South Police Station (“**SHO**”). Subsequently, the SHO registered a first information report dated February 9, 2019 against the Accused, alleging that the Accused has cheated our Company with an intention to gain illegal profits and cause heavy losses to our Company, thereby committing an offence punishable under Section 420 of the Indian Penal Code, 1860. Upon investigation, the SHO referred a report stating that the case was of civil nature. Subsequently, DDRC filed a private complaint (“**Complaint 2**”) dated May 27, 2019 before the AJMC stating that the police have not conducted a proper investigation into the matter. Pursuant to the Complaint 2, DDRC prayed for *inter alia* the AJMC to take cognizance of the offence committed by the Accused and impose a penalty on him in accordance with law and to pass an order for adequate compensation to DDRC. The matter is currently pending.

#### *Other material proceedings by our Subsidiaries*

##### **Agilus Pathlabs Private Limited (“Agilus Pathlabs”)**

1. Agilus Pathlabs filed a suit (“**Suit**”) dated September, 2006 against Atta’s Estate (“**Defendant 1**”), Negus Mercantile Private Limited (“**Defendant 2**”) and others (“**Defendants**”) before the City Civil Court, Calcutta (“**City Civil Court**”) in relation to certain property (“**Property**”) owned by the Defendant 1, which was taken on rent by Agilus Pathlabs and where Agilus Pathlabs was running a pathology laboratory and other allied medical services. Agilus Pathlabs, in the suit, claimed *inter alia* that the representatives of the Defendants tried to forcefully evict Agilus Pathlabs from the Property without the due process of the law. Agilus Pathlabs prayed for *inter alia* a decree of permanent injunction restraining

the Defendants and their representatives from dispossessing Agilus Pathlabs without due process of law. Further, Agilus Pathlabs filed an application dated September 18, 2006 before the City Civil Court praying *inter alia* for an *ad interim* order granting a temporary injunction restraining the Defendants and their representatives from dispossessing Agilus Pathlabs without due process of law. The City Civil Court, pursuant to its order (“**Order 1**”) dated September 20, 2006 directed the Defendants to maintain status quo with respect to the nature and character of the Property. Further, the City Civil Court, pursuant to its order dated January 2, 2019, made the Order 1 absolute until the disposal of the Suit. The matter is currently pending.

## **II. Litigation against our Subsidiaries**

### *Criminal proceedings against our Subsidiaries*

There are no criminal proceedings initiated against our Subsidiaries, as on the date of this Draft Red Herring Prospectus.

### *Actions by statutory or regulatory authorities against our Subsidiaries*

#### **Agilus Pathlabs Private Limited (“Agilus Pathlabs”)**

1. The Regional Office, Employees’ State Insurance Corporation, Patna (“**Regional Office**”) issued a notice (“**Notice**”) dated September 24, 2018 to Agilus Pathlabs noting that Agilus Pathlabs failed to pay the contributions amount to ₹ 0.07 million (“**Contribution**”) as required under Sections 39 and 49 of the Employees’ State Insurance Act, 1948 (“**ESI Act**”) with respect to 10 of its employees and asking Agilus Pathlabs to show cause as to why the Contribution was not paid and represent its case in person. Due to failure of Agilus Pathlabs to appear before the Regional Office, the Regional Office issued an office letter dated November 15, 2018 providing another opportunity for Agilus Pathlabs to represent its case. Subsequently, the Regional Office passed an order (“**Order**”) dated December 28, 2018, noting that Agilus Pathlabs never appeared for a personal hearing and did not pay the Contribution or submit monthly details of contributions for the period from November 2017 to July 2018 and ordered Agilus Pathlabs to pay the Contribution within a period of 60 days from the date of the Order. Further, the Office of the Recovery Officer, Employees’ State Insurance Corporation, Patna issued a demand notice dated April 24, 2019 against Agilus Pathlabs for the recovery of an amount of ₹ 0.08 million, being the Contribution along with interest. The matter is currently pending.
2. The Employees State Insurance Court, West Bengal, Kolkata (“**ESIC Court**”) passed an order dated March 16, 2009 (“**Order 1**”) holding that Agilus Pathlabs stood covered under the Employees’ State Insurance Act, 1948 (“**ESIC Act**”). Agilus Pathlabs filed an application for temporary injunction dated July 1, 2009 seeking *inter alia* for an order of injunction restraining the ESIC Court from proceeding further as per the Order 1. The ESIC Court, by its order dated July 31, 2009 (“**Order 2**”), granted a temporary injunction against the Order 1. The matter is currently pending.

Pursuant to the Order 1, the Regional Office, Employees’ State Insurance Corporation, Maharashtra (“**Regional Office**”) issued a notice dated July 29, 2009 to Agilus Pathlabs claiming an amount of ₹ 1.70 million on account of alleged failure of Agilus Pathlabs to pay the requisite compensation under the ESIC Act and passed an order dated December 7, 2012 (“**Order 3**”) imposing a liability of ₹ 1.70 million on Agilus Pathlabs. Agilus Pathlabs filed an application (“**Application**”) dated May 10, 2013 before the Employees State Insurance Court, West Bengal, Kolkata (“**ESIC Court**”) against the Employees’ State Insurance Corporation (“**ESIC**”) and the representatives of the ESIC challenging the Order 3, stating that the Order 3 was in contravention of the Order 2 and was passed without jurisdiction and competence. The matter is currently pending.

### *Other material proceedings against our Subsidiaries*

#### **Agilus Pathlabs Private Limited (“Agilus Pathlabs”)**

1. For details regarding the contempt petition dated June 20, 2023 filed by Daiichi Sankyo Company, Limited before the High Court of Judicature at Delhi (“**High Court**”) against Agilus Pathlabs, see “*Litigation involving our Company – Litigation against our Company – Other material proceedings against our Company*” on page 356. The High Court has not issued any notice against Agilus Pathlabs

in respect of the Contempt Petition.

- For details regarding the application (“**Urgency Application**”) dated September 25, 2023 filed by Daiichi Sankyo Company, Limited before the High Court of Judicature at Delhi (“**High Court**”) against Agilus Pathlabs, see “*Litigation involving our Company – Litigation against our Company – Other material proceedings against our Company*” on page 356. The High Court has not issued any notice against Agilus Pathlabs in respect of the Urgency Application.
- For details regarding the application dated September 14, 2023 filed by Chandra Shekhar Jha before the High Court of Judicature at Delhi against Agilus Pathlabs, see “*Litigation involving our Company – Litigation against our Company – Other material proceedings against our Company*” on page 356.

#### *Tax proceedings involving our Subsidiaries*

A summary table of the cases relating to direct and indirect taxes involving our Subsidiaries is set forth below:

Nature of case	Number of cases	Amount in dispute/demand (in ₹ million, to the extent quantifiable)
<b><i>Agilus Pathlabs Private Limited</i></b>		
Direct tax	8	1,939.23
Indirect tax	Nil	Nil
<b><i>DDRC Agilus Pathlabs Limited</i></b>		
Direct tax	9	95.73
Indirect tax	Nil	Nil
<b><i>Agilus Pathlabs Reach Limited</i></b>		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
<b><i>Agilus Diagnostics FZ LLC</i></b>		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
<b>Total</b>	<b>17</b>	<b>2,034.96</b>

In addition, set forth hereunder is a description of the tax matters involving our Subsidiaries in which the aggregate monetary amount involved is equivalent to or exceeds ₹ 11.66 million:

#### ***Agilus Pathlabs Private Limited (“Agilus Pathlabs”)***

- The Deputy Commissioner of Income Tax, Mumbai (“**DCIT**”), by its order dated March 22, 2016 (“**Assessment Order**”) assessed the taxable income of Agilus Pathlabs for the assessment year 2013-14 by making additions for certain provisions for gratuity that Agilus Pathlabs did not disallow and made a demand of ₹ 0.12 million. Thereafter, the Principal Commissioner of Income Tax, by its order dated February 20, 2018 (“**PCIT Order**”) set aside the Assessment Order on account of failure by the DCIT to examine whether certain expenses were allowed to be deducted claimed by Agilus Pathlabs. The DCIT, by its revised order dated October 31, 2018 (“**Revised Order**”) made a revised demand of ₹ 343.45 million. Agilus Pathlabs has filed an appeal dated November 30, 2018, against the Revised Order before the Commissioner of Income Tax (Appeals), Mumbai. The matter is currently pending.
- The Deputy Commission of Income Tax, Mumbai (“**DCIT**”), by its order dated December 30, 2016 (“**Assessment Order**”) assessed the taxable income of Agilus Pathlabs for the assessment year 2014-15 by disallowing certain professional fees, repairs and maintenance expenses and credit claimed by Agilus Pathlabs and raised a demand of ₹ 353.76 million. Agilus Pathlabs filed an appeal dated January 24, 2017 against the Assessment Order before the Commissioner of Income Tax (Appeals), Mumbai. Additionally, Agilus Pathlabs filed rectification application dated January 27, 2017 before the DCIT on account of failure to consider brought forward business losses and short grant of TDS credit available to Agilus Pathlabs, in relation to which the DCIT, by its rectification order dated February 21, 2017, revised its demand to ₹ 207.13 million. The matter is currently pending.
- The Assistant Commissioner of Income Tax, Mumbai, by its order dated December 29, 2017 (“**Assessment Order**”) assessed the taxable income of Agilus Pathlabs for the assessment year 2015-16 by disallowing certain professional fees, expenses and depreciation claimed by Agilus Pathlabs and



raised a demand of ₹ 407.22 million. Agilus Pathlabs filed an appeal dated January 19, 2018, against the Assessment Order before the Commissioner of Income Tax (Appeals), Mumbai. The matter is currently pending.

4. The Assistant Commissioner of Income Tax, Mumbai (“**ACIT**”), by its order dated December 20, 2018 (“**Assessment Order**”) assessed the taxable income of Agilus Pathlabs for the assessment year 2016-17 by disallowing certain professional fees, expenses and depreciation claimed by Agilus Pathlabs and raised a demand of ₹ 379.25 million. Agilus Pathlabs filed an appeal dated January 18, 2019, against the Assessment Order before the Commission of Income Tax (Appeals), Mumbai. The matter is currently pending. Additionally, Agilus Pathlabs filed rectification application dated January 4, 2019 before the ACIT on account of the Assessment Order erroneously considering dividend income of Agilus Pathlabs as taxable, in relation to which the ACIT, by its rectification order dated February 18, 2019, revised its demand to ₹ 307.24 million. The matter is currently pending.
5. The Deputy Commissioner of Income Tax, Mumbai (“**DCIT**”), by its order dated December 30, 2019 (“**Assessment Order**”) assessed the taxable income of Agilus Pathlabs for the assessment year 2017-18 by making additions for certain expenses incurred on account of professional fee paid to doctors, legal and professional fees, repair and maintenance costs and depreciation on non-compete fee and on account of cash accepted/deposited during demonetization and made a demand of ₹ 203.29 million. Agilus Pathlabs filed an appeal before the Commissioner of Income Tax (Appeals), Mumbai on January 27, 2020. The matter is currently pending.
6. The Assistant Commissioner of Income Tax, New Delhi by its order dated June 20, 2018, raised a demand of ₹ 19.90 million against Agilus Pathlabs for the assessment year 2017-18 on account of short deduction of tax deductible at source by Agilus Pathlabs. Agilus Pathlabs filed an appeal before the Commissioner of Income Tax (Appeals), New Delhi on August 9, 2018. The matter is currently pending.
7. The Deputy Commissioner of Income Tax, New Delhi by its order dated March 9, 2023, raised a demand of ₹ 50.51 million against Agilus Pathlabs for the assessment year 2018-19 on account of short deduction of tax deductible at source by Agilus Pathlabs. Agilus Pathlabs filed an appeal before the Commissioner of Income Tax (Appeals), New Delhi on April 3, 2023. The matter is currently pending.
8. The Assistant Commissioner of Income Tax, Mumbai (“**DCIT**”), by its order dated February 28, 2020 (“**Assessment Order**”) assessed the taxable income of Agilus Pathlabs for the assessment year 2018-19 by disallowing refund of certain professional fees, expenses and depreciation claimed and made a demand of ₹ 335.40 million. Agilus Pathlabs filed an appeal before the Commissioner of Income Tax (Appeals), Mumbai on June 3, 2020. The matter is currently pending.

#### ***DDRC Agilus Pathlabs Limited (“DDRC”)***

1. The Assistant Commissioner of Income Tax, Mumbai by its order dated December 12, 2011, assessed the taxable income of our Subsidiary, DDRC for the assessment year 2009-10 by disallowing certain expenses claimed by DDRC on account of not deducting tax deductible at source, and made a demand of ₹14.23 million along with penalty and interest (“**Assessment Order**”). DDRC filed an appeal before the Commissioner of Income Tax (Appeals), Mumbai (“**CIT-A**”) against the Assessment Order. The matter is currently pending.
2. The Deputy Commissioner of Income Tax, Mumbai by its order dated March 5, 2013, assessed the taxable income of our Subsidiary, DDRC for the assessment year 2010-11 by disallowing certain expenses including employee provident fund contributions and discounts provided by DDRC to hospitals, and made a demand of ₹ 33.54 million along with penalty and interest (“**Assessment Order**”). DDRC filed an appeal before the Commissioner of Income Tax (Appeals), Mumbai (“**CIT-A**”) against the Assessment Order. The matter is currently pending.

### **C. LITIGATION INVOLVING OUR DIRECTORS**

#### ***I. Litigation by our Directors***

*Criminal proceedings by our Directors*

There are no criminal proceedings initiated by our Directors as on date of this Draft Red Herring Prospectus.

*Other material proceedings by our Directors*

There are no other material proceedings initiated by our Directors as on date of this Draft Red Herring Prospectus.

**II. Litigation against our Directors**

*Criminal proceedings against our Directors*

**Dr. Ashutosh Raghuvanshi**

1. In 2014, a complaint was filed by Drug Controller Officer - Jaipur before Chief Metropolitan Magistrate, Jaipur against M/s Narayana Multi Specialty Hospital- Jaipur, Dr. Ashutosh Raghuvanshi, Dr. Mala Airun and Col. (Retd.) Mohan Inder Singh Chauhan alleging violation of Section 18 (c) of Drugs and Cosmetics Act, 1940 wherein the Learned Chief Metropolitan Magistrate- Jaipur passed a Cognizance Order dated September 11, 2014. In a petition filed on behalf of Dr. Mala Airun for quashing of the said order, Hon'ble High Court of Rajasthan-Jaipur vide order dated February 14, 2022 stayed the proceedings before the lower court, qua the petitioner. Consequently, proceedings before the Chief Metropolitan Magistrate, Jaipur remains stayed. The matter is currently pending.

*Actions by statutory or regulatory authorities against our Directors*

There are no actions by statutory or regulatory authorities initiated against our Directors as on date of this Draft Red Herring Prospectus.

*Other material proceedings against our Directors*

**Ravi Rajagopal**

1. For details regarding the contempt petition ("**Contempt Petition**") dated June 20, 2023 filed by Daiichi Sankyo Company, Limited before the High Court of Judicature at Delhi ("**High Court**") against Ravi Rajagopal, see "*Litigation involving our Company – Litigation against our Company – Other material proceedings against our Company*" on page 356. The High Court has not issued any notice against Ravi Rajagopal in respect of the Contempt Petition.

**Anand Kuppuswamy**

1. For details regarding the contempt petition ("**Contempt Petition**") dated June 20, 2023 filed by Daiichi Sankyo Company, Limited before the High Court of Judicature at Delhi ("**High Court**") against Anand Kuppuswamy, see "*Litigation involving our Company – Litigation against our Company – Other material proceedings against our Company*" on page 356. The High Court has not issued any notice against Anand Kuppuswamy in respect of the Contempt Petition.

**Dr. Ashutosh Raghuvanshi**

1. For details regarding the contempt petition ("**Contempt Petition**") dated June 20, 2023 filed by Daiichi Sankyo Company, Limited before the High Court of Judicature at Delhi ("**High Court**") against Dr. Ashutosh Raghuvanshi, see "*Litigation involving our Company – Litigation against our Company – Other material proceedings against our Company*" on page 356. The High Court has not issued any notice against Dr. Ashutosh Raghuvanshi in respect of the Contempt Petition.

**Dilip Kadambi**

1. For details regarding the contempt petition ("**Contempt Petition**") dated June 20, 2023 filed by Daiichi Sankyo Company, Limited before the High Court of Judicature at Delhi ("**High Court**") against Dilip

Kadambi, see “*Litigation involving our Company – Litigation against our Company – Other material proceedings against our Company*” on page 356. The High Court has not issued any notice against Dilip Kadambi in respect of the Contempt Petition.

### ***Suvalaxmi Chakraborty***

1. For details regarding the contempt petition (“**Contempt Petition**”) dated June 20, 2023 filed by Daiichi Sankyo Company, Limited against Suvalaxmi Chakraborty before the High Court of Judicature at Delhi (“**High Court**”), see “*Litigation involving our Company – Litigation against our Company – Other material proceedings against our Company*” on page 356. The High Court has not issued any notice against Suvalaxmi Chakraborty in respect of the Contempt Petition.

### *Tax proceedings involving our Directors*

<b>Nature of case</b>	<b>Number of cases</b>	<b>Amount in dispute/demand (in ₹ million, to the extent quantifiable)</b>
Direct tax	3	0.90
Indirect tax	Nil	Nil
<b>Total</b>	<b>3</b>	<b>0.90</b>

## **D. LITIGATION INVOLVING OUR PROMOTER**

### ***I. Litigation by our Promoter***

#### *Criminal proceedings by our Promoter*

1. Our Promoter has filed 7 cases under Section 138 of the Negotiable Instruments Act, 1881, in relation to dishonor of cheques issued by patients at the various hospitals operated and managed by it. The aggregate amount involved in these matters is ₹3.59 million. The matters are pending before various forums at various stages of adjudication.

#### *Other material proceedings by our Promoter*

1. Our Promoter (“**Fortis**”) has filed a claim with the Interim Resolution Professional (“**IRP**”) in the insolvency proceedings commenced against Dignity Buildcon Private Limited (“**Lessor**”) for an amount aggregating to ₹817.81 million. A lease agreement dated March 11, 2014 (“**Lease**”) was executed between Fortis and Lessor for office space at Sector- 62, Gurgaon, Haryana (“**Property**”). In furtherance of the Lease, a security deposit of ₹217.35 million was paid to the Lessor which was refundable either on expiry of the Lease term or the earlier termination thereof. Basis assurances that occupation certificate (“**OC**”) for the Property would be obtained shortly, Fortis was granted possession for finishing works in the Property and subsequently incurred expenses amounting to ₹255.25 million. However, there was an inordinate delay in obtaining the OC and consequently the Lease was terminated on December 30, 2016. Fortis served a demand notice on April 23, 2018, to the Lessor and its directors for refund of security deposit and the amount spent on fitting and fixtures along with interest (“**Demand Notice**”). The Lessor responded to the Demand Notice through letter dated July 5, 2018, calling for amicable resolution. Further, one of the creditors of the Lessor initiated insolvency proceedings before the National Company Law Tribunal, Delhi (“**NCLT**”) which was admitted on April 24, 2019, along with the appointment of an IRP. Consequently, Fortis filed a claim on May 17, 2019, with the IRP. The matter is currently pending.
2. Our Promoter (“**Fortis**”) filed a civil suit before the District Judge, Saket District Court, South District, New Delhi (“**District Court**”) on October 5, 2020, against Fortis Charitable Foundation and others (“**Defendants**”) for recovery of ₹6.06 million along with interest at the rate of 9% per annum from the date of institution of the suit. In order to comply with the corporate social responsibility (“**CSR**”) requirements of Section 135 of Companies Act, 2013 (“**Companies Act**”), Fortis constituted a CSR Committee (“**CSR Committee**”). The CSR Committee in its meetings held on May 8, 2014, and September 24, 2014, respectively, considered and approved *inter alia* the CSR policy and appointment

of the Defendants as the special purpose vehicle through which CSR activities of Fortis will be undertaken. Following this, the CSR Committee in its meeting held on July 5, 2018, decided that henceforth all CSR obligations of Fortis and its subsidiaries would be implemented exclusively by Fortis CSR Foundation (“**FCSR**”), a wholly owned subsidiary of Fortis and that the Defendants would no longer be engaged for the same. Fortis through letter dated October 3, 2018, conveyed the decision to the Defendants (“**Letter**”). Further, it was also communicated that the Defendants should not commence any new CSR activity on behalf of Fortis and its subsidiaries. In the Letter Fortis also called upon the Defendants to *inter alia* return a sum of ₹6.06 million entrusted with the Defendants for the purpose of discharging the CSR activities of Fortis which had remained unutilized by the Defendants. However, the Defendants failed to repay the amount. The Defendants filed the reply before the District Court on December 8, 2022, stating that the funds given by Fortis were in the nature of mandatory CSR expenditure and cannot be termed as entrustment of funds. The matter is currently pending.

3. Our Promoter (“**Fortis**”) filed a suit before the Delhi High Court on January 9, 2023 against Balaji Great Lotus Glory and others (“**Defendants**”) seeking *inter alia* that the draft term sheet dated December 6, 2017 (“**Term Sheet**”), including side letters dated December 6, 2017 (“**Side Letters**”) are declared *non-est* and further the purported assignment of rights under the master settlement agreement dated September 26, 2020 (“**MSA**”) is *non-est* (“**Suit**”).

Fortis and Walmark Holdings Private Limited (“**Parties**”) were in the process of negotiating and finalizing the Term Sheet for certain acquisitions. However, it is Fortis’s contention in the Suit that the Term Sheet was never executed between the Parties and consequently, stood lapsed by efflux of time. Further, in relation to a separate arbitration proceeding, wherein Fortis was not a party, Fortis received a copy of an order dated October 17, 2022, passed in the said proceedings (“**Interim Award**”). Additionally, a copy of the MSA, which was executed without Fortis’s knowledge, was also received whereunder the other Defendants had assigned their rights under the disputed Term Sheet to Balaji Great Lotus Glory. The Interim Award was terminated by the learned arbitrator through an order dated January 11, 2023. Consequently, Fortis has filed the Suit seeking *inter alia* that the Term Sheet and Side Letters are declared *non-est* and the purported assignment of rights under the MSA is *non-est*. The matter is currently pending.

4. Fortis Hospitals Limited (“**FHsL**”), a subsidiary of our Promoter (“**Fortis**”) filed a civil suit on August 26, 2019, before the Delhi High Court for recovery of ₹ 5,201.98 million against Best Healthcare Private Limited, Fern Healthcare Private Limited and Modland Healthcare Private Limited, Fortis and others (“**Suit**”). Fortis is a *pro-forma* defendant in the matter and no relief has been claimed against it.

FHsL had placed secured short-term investments in the nature of inter corporate deposits (“**ICDs**”) with Best Healthcare Private Limited, Fern Healthcare Private Limited and Modland Healthcare Private Limited (“**Borrowers**”) aggregating to ₹ 4,941.40 million on July 1, 2017, for a term of 90 days. On February 28, 2018, these ICDs were secured by way of a duly registered charge on the present and future assets of the Borrowers. Consequently, the Borrowers defaulted on their payment obligations and a demand notice dated March 16, 2018 was sent by FHsL to the Borrowers. Further, by letter dated March 27, 2018, FHsL issued a notice seeking enforcement of security created by the Borrowers. After multiple reminders and subsequent non-payment of dues by the Borrowers, FHsL issued a demand notice dated June 8, 2018. Additionally, the Plaintiff along with Fortis sent a legal notice dated November 10, 2018, to the Defendants to pay outstanding dues from the loan agreements. Meanwhile, the Securities and Exchange Board of India (“**SEBI**”) also initiated investigation into certain issues concerning transactions pertaining to the loan agreements between FHsL and the Borrowers. Upon investigation, SEBI through its orders dated October 17, 2018, December 21, 2018, and March 19, 2019, directed FHsL to take appropriate steps for the recovery of the entire loan amount from the Borrowers and other defendants excluding Fortis (“**Defendants**”). Upon further failure of payment, FHsL along with Fortis filed an application dated February 13, 2019, before SEBI under the Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”) for recovery of ₹4,030.00 million along with interest from the Defendants. SEBI through its order dated June 14, 2019, stated that the provisions of the SEBI Act cannot be invoked at this stage and that FHsL and Fortis may take all steps necessary to recover the loan amounts. Following the directions by SEBI the Suit has been filed. The matter is currently pending.

Further, based on the complaint dated November 9, 2020, filed by Fortis with the Economic Offence Wing, New Delhi (“**EOW**”), a First Information Report (“**FIR**”) was registered by EOW on July 3, 2021.

EOW is investigating the matter.

## II. *Litigation against our Promoter*

### *Criminal proceedings against our Promoter*

1. Basis a complaint letter dated April 11, 2012, by Kanwarjit Singh against Fortis Hospital, Mohali (a hospital operated and managed by our Promoter and hereinafter referred to as the “**Hospital**”), alleging issuance of expired drugs by the Hospital, an enquiry into the matter was initiated by the office of Drugs Inspector, Mohali. Upon conclusion of the enquiry, a complaint dated July 22, 2014, was filed by Amit Lakhnupal, Drugs Inspector, S.A.S. Nagar, before the Chief Judicial Magistrate, S.A.S. Nagar, Punjab (“**CJM**”), against *inter alia* the Hospital, Col. H.S. Chehal (responsible person on behalf of the Hospital), the nurse and the pharmacist involved in the matter, under Section 32 of the Drugs and Cosmetics Act, 1940 (the “**Act**”), alleging contravention of the Drugs and Cosmetics Rules, 1945 and Section 18(a)(vi) of the Act (“**Complaint**”).

On September 9, 2014, a petition was filed by Col. H.S. Chehal before the High Court of Punjab and Haryana praying for, *inter alia*, quashing of the Complaint and all consequential proceedings arising therefrom, as well as a stay on the proceedings till the pendency of the petition. The petition was dismissed on June 29, 2020. An application for the discharge of Col. H.S. Chehal from the case has since been filed before the Additional Sessions Judge, S.A.S Nagar. The matter is currently pending.

2. Pursuant to an application dated July 28, 2018 (“**Application**”) submitted to the Metropolitan Magistrate, North West, Rohini Court, Delhi (“**MM**”) by Sapna Jain, on behalf of her son, (the “**Complainant**”), an investigation was directed to be conducted against *inter alia* Fortis Hospital, Shalimar Bagh, Delhi (a hospital operated and managed by our Promoter (“**Fortis**”) and hereinafter referred to as the “**Hospital**”), its management and doctors, for allegedly causing injury and subsequently concealing the truth about the injury and falsifying medical records of the Complainant, which led to him developing a rare disease due to lack of appropriate treatment. However, as on the date of this DRHP, no notice has been issued to Fortis by the MM.

In furtherance of the said investigation, a representation was made to the Chairman of the Delhi Medical Council (“**DMC**”) by the investigating officer, for obtaining a medical opinion regarding negligence on the part of the doctors of the Hospital. On August 13, 2019, the DMC issued a medical opinion stating that no negligence could be attributed on the part of the doctors in the treatment of the Complainant. Despite the opinion of the DMC stating that no negligence could be attributed on the part of the doctors in the treatment of the Complainant, the Application was allowed by the MM on September 27, 2019 and an order directing registration of an FIR by the police was passed (“**Impugned Order**”). Consequently, an FIR was registered by the police on October 1, 2019, under Sections 336 and 337 of the Indian Penal Code, 1860, against certain personnel associated with Fortis. A closure report dated July 26, 2023, was submitted to the MM and is currently under consideration.

Aggrieved by the Impugned Order and the consequent FIR, Dr. Ritu Verma and two other doctors of the Hospital had filed a writ petition under Articles 226 and 227 of the Constitution of India before the High Court of Delhi (“**Delhi High Court**”) seeking quashing of Impugned Order and the consequent FIR on the grounds that the same was contrary to the medical opinion issued by the DMC. This writ petition has been heard together with an existing writ petition filed by the Complainant in April, 2019, seeking the appointment of an independent committee of medical experts to assess the facts of the case and transfer of the case to the Central Bureau of Investigation (“**CBI**”). The Complainant has since filed another application seeking CBI probe into the employment of two allegedly unqualified doctors of the Hospital that were involved in the case and another writ petition praying for the cancellation of registration of the Hospital under provisions of the Delhi Nursing Homes Registration Act, 1953. These matters are currently pending before the Delhi High Court.

### *Actions by statutory or regulatory authorities against our Promoter*

1. Pursuant to the conclusion of an investigation initiated by SEBI during Fiscal 2018, pertaining to, *inter alia* the diversion of approximately ₹4,730 million from our Promoter (“**Fortis**”), for the ultimate benefit of the erstwhile promoters of Fortis, SEBI *vide* a show cause notice dated November 20, 2020 (“**SCN**”)

issued to various entities, including Fortis and Fortis Hospitals Limited (“**FHsL**” and together with Fortis, the “**Noticeses**”), *inter alia* alleged that the consolidated financials of Fortis during the relevant period were untrue and misleading for the shareholders of Fortis and Fortis had circumvented certain provisions of the SEBI Act, the SCRA, and certain SEBI regulations.

In response to the SCN, the Noticeses submitted a joint representation/reply to SEBI on December 28, 2020, praying for quashing of the SCN on the grounds that all acts impugned in the SCN related to the period when the erstwhile promoters of Fortis controlled the affairs of the Noticeses, and the Noticeses themselves were victims of the schemes of the erstwhile promoters of Fortis and thus ought not to be held accountable for the actions of the wrongdoers. Subsequently, SEBI *vide* an order dated April 19, 2022, directed the Noticeses to continue to pursue measures to recover approximately ₹3,971 million, along with due interest, which had already been initiated by the Noticeses from the erstwhile promoters of Fortis and imposed a penalty of ₹10.00 million and ₹5.00 million on Fortis and FHsL, respectively (“**Impugned Order**”).

The Noticeses filed an appeal against the Impugned Order before the Securities Appellate Tribunal, Mumbai (“**SAT**”). *Vide* an order dated July 8, 2022, SAT has stayed the Impugned Order, subject to a deposit of 50% of the penalty amount with SEBI, which has been deposited by the Noticeses in accordance with SAT’s instructions. The appeal remains pending adjudication.

2. Pursuant to an order dated February 17, 2018, issued by the Ministry of Corporate Affairs, the Serious Fraud Investigation Office (“**SFIO**”) was directed to conduct investigations into the affairs of our Promoter (“**Fortis**”) to *inter alia* ascertain rotation/siphoning of funds, including the quantum and beneficiaries thereof, instances of mismanagement, negligence, fraud, etc. Consequently, Fortis became subject to the aforesaid investigation by the SFIO regarding certain alleged improper transactions and non-compliances which relate to or originated prior to the change in management and ownership of Fortis from its erstwhile promoters in Fiscal 2018. Pursuant to the aforesaid investigation, Fortis, along with certain of its subsidiaries (together, the “**Fortis Group**”) have received notices requiring them to furnish documents, information and respond to summons. While the Fortis Group is cooperating with the relevant authorities in relation to such proceedings, Fortis filed a complaint (“**Complaint**”) with the Economic Offences Wing, New Delhi (“**EOW**”) against the erstwhile promoters of Fortis and their related entities on November 9, 2020, which is also being investigated by the Enforcement Directorate. Basis the said complaint, an FIR was registered against the relevant entities on July 3, 2021. The investigation is currently ongoing.

#### *Other material proceedings against our Promoter*

1. Jayant Singh (“**Petitioner**”) filed a writ petition on February 12, 2018, before the Supreme Court of India (“**Supreme Court**”) against our Promoter (“**Fortis**”), Fortis Memorial Research Institute (“**FMRI**”) and others alleging *inter alia* failure on part of FMRI to take adequate steps to treat the Petitioner’s daughter, medical negligence, and unlawful enrichment on account of exponential charges. The Petitioner claimed compensation for a total sum of ₹100.00 million and further setting up of an endowment foundation for ₹1,000.00 million. Fortis filed a reply dated July 25, 2018, denying all claims of the Petitioner and further stating that FMRI is neither managed nor operated by it and its operations are overlooked by Fortis Hospitals Limited (“**FHsL**”), a subsidiary of Fortis.

Further, the Petitioner lodged a complaint with the police station Sushant Lok, Gurugram, based on which a First Information Report was registered on December 9, 2017, against one of the attending doctors (“**Dispute**”).

The Petitioner and FHsL have entered into a settlement agreement dated August 21, 2023 (“**Settlement Agreement**”) wherein the Dispute has been amicably settled. Under the Settlement Agreement, a total sum of ₹7.80 million is payable to the Petitioner upon successful completion of certain milestones. Pursuant to the Settlement Agreement, the Petitioner submitted a letter dated August 29, 2023, to the Chief Medical Officer, Gurugram requesting withdrawal of all actions initiated against Fortis and FMRI. Moreover, the Petitioner has filed an interim application on September 13, 2023, before the Supreme Court seeking withdrawal of the writ petition. The matter is currently pending.

2. Following a successful bid, our Promoter (“**Fortis**”), entered into a share subscription agreement dated July 13, 2018, with Northern TK Venture Pte. Ltd. (“**Northern TK**”), an indirect wholly owned

subsidiary of IHH Healthcare Berhad (“**IHH**”), for an equity infusion of ₹40,000.00 million into Fortis by Northern TK for 31.17% of the share capital of Fortis, subject to approval of the shareholders of Fortis (which was obtained in due course). In terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Northern TK was consequently obligated to make mandatory open offers for acquisition of additional shares in Fortis and Fortis Malar Hospitals Limited, respectively (“**Open Offers**”) and public announcements with respect to the Open Offers were made on July 13, 2018. On November 13, 2018, the preferential allotment of Fortis shares to Northern TK was completed. Thereafter, the Supreme Court of India (“**Supreme Court**”), in proceedings initiated by Daiichi Sankyo Company Limited against *inter-alia* the erstwhile promoters of Fortis and certain entities controlled by them and to which IHH, Northern TK and Fortis were not impleaded as parties, *vide* an *ex-parte* order dated December 14, 2018 (“**Status Quo Order**”) directed that “*status quo with regard to sale of the controlling stake in Fortis Healthcare to Malaysian IHH Healthcare Berhad be maintained*”. In order to comply with the Status Quo Order, the Open Offers were put on hold. Thereafter, the Supreme Court in Contempt Petition (Civil) No. 2120/2018 passed a judgement dated November 15, 2019, wherein a *suo motu* contempt notice was issued to, among others, Fortis and further directed that a contempt petition be registered in regard to the alleged violation of the Status Quo Order, passed by the Supreme Court (“**Contempt Judgment**”).

Petitions before the Supreme Court, including the *suo motu* contempt proceedings, have been disposed of pursuant to the Supreme Court’s final judgment dated September 22, 2022 (“**Judgment**”). No finding of contempt has been made against Fortis, or its independent directors. The Judgment *inter alia* indicated that certain transactions entered into between Fortis and RHT Health Trust (“**RHT**”, and such transactions, “**RHT Transactions**”) appeared *prima facie* to be an acquisition of proprietary interest to subserve the business structure of Fortis. The Supreme Court also passed certain directions to the Delhi High Court to consider issuing appropriate process and appoint forensic auditors(s) to analyse the transactions entered into between Fortis and RHT and other related transactions, if the Delhi High Court so deems appropriate. Pursuant to the Judgment, the Delhi High Court through its order dated October 18, 2022, directed Daiichi Sankyo Company Limited to file an application defining the contours of the forensic audit sought, which could thereafter be considered by the Delhi High Court. Daiichi Sankyo Company Limited has filed an application dated November 29, 2022, before the Delhi High Court seeking directions in connection with the forensic audit. Fortis is opposing the application filed by Daiichi Sankyo Company Limited before the Delhi High Court for appointment of forensic auditor. The matter is currently pending.

For details regarding the two applications dated May 23, 2023 and May 29, 2023, the application dated September 25, 2023 and the contempt petition dated June 20, 2023, filed by Shivinder Mohan Singh (through Aditi S. Singh) and Daiichi Sankyo Company Limited respectively against our Promoter before the Delhi High Court at Delhi, see “*Litigation involving our Company – Litigation against our Company – Other material proceedings against our Company*” on page 356.

3. Participation Finances & Holding (India) Limited (“**Plaintiff**”) filed a suit on February 26, 2018 (“**Suit**”) before the District Judge, Patiala House District Court, New Delhi (“**District Judge**”), against our Promoter (“**Fortis**”) and others (“**Defendants**”). In addition to certain financial claims, the Plaintiff prayed for *inter alia* a decree declaring that the Plaintiff has an implied ownership over the brands ‘Fortis’, ‘SRL’ and ‘La Femme’ (“**Brands**”) and further seeking a relief that Fortis is liable for claims owed by the Plaintiff to a third party emanating from a term sheet dated December 6, 2017 (“**Term Sheet**”) allegedly entered into by Fortis and the third party. The District Judge through its order dated February 26, 2018, passed an *ex-parte* interim order against the Defendants directing that any transaction taking place in favour of any third party and affecting the interest of the Plaintiff shall be subject to the orders passed in the Suit. Fortis filed a written statement dated May 17, 2018, before the District Judge denying all allegations made against it and stating *inter alia* that the Plaintiff has failed to establish any ownership of the Brands as it has not annexed any documents to substantiate such ownership and further that Fortis has not signed the alleged Term Sheet with the third party. In similar vein, there was no contractual relationship between Fortis and the Plaintiff in relation to the Plaintiff’s right to claim ownership over the Brands. Subsequently, the Plaintiff filed an application dated February 13, 2019, before the District Judge seeking amendment in the Suit *inter alia* to add IHH Healthcare Berhad, Northern TK Venture Pte. Ltd. and Parkway Pantai Limited to the memo of parties of the Suit in light of IHH Healthcare Berhad’s acquisition of the majority shareholding of Fortis and its reported intention to discontinue the use of the Brands in the future. The matter is currently pending. For further details, in

relation to the proceedings initiated against our Company, see “-Other material proceedings against our Company” on page 356.

4. Walmark Holdings Limited (“**Petitioner**”) filed a petition under the Arbitration & Conciliation Act, 1996 before Delhi High Court on May 21, 2019, against our Promoter (“**Fortis**”) (“**Petition**”). The Petition has been filed alleging *inter alia* that differences arose between the Petitioner and Fortis on account of non-implementation of binding term sheet dated December 6, 2017 (“**Term Sheet**”) along with side letters dated December 6, 2017, and December, 2017, respectively (“**Side Letters**”). Further, the Petitioner has also alleged that these agreements were based on various understandings illustrated through the mail exchanged between representatives of the Petitioner and Fortis and also the non-binding term sheet dated September 26, 2017 (“**NBTS**”). The Petitioner prayed for *inter alia* recovery of transaction break-up fee of ₹1,900.00 million and other contractual claims amounting to ₹3,000.00 million. Fortis filed its reply on July 24, 2019, denying any agreement/arrangement pertaining to the Term Sheet, Side Letters and NBTS. Consequently, the Petitioner sought to withdraw the Petition through application dated November 20, 2019, which was allowed by the Delhi High Court through order dated February 24, 2020.

Subsequently, Fortis filed an application under the Code of Criminal Procedure, 1973 before the Delhi High Court on August 18, 2020, seeking action against officers of Walmark Holdings Limited (“**Defendant**”) for perjury. Fortis contended that the Defendant had relied on the Term Sheet bearing forged signatures of Bhavdeep Singh, the erstwhile Chief Executive Officer of Fortis. Additionally, Georg Ehrman, one of the signatories to the purported Term Sheet on behalf of the Defendant confirmed in an affidavit filed on October 30, 2021, before the Delhi High Court that the Term Sheet never came into effect. As on date, other officers of the Defendant are evading service of the notice. An application for substituted service was moved by Fortis before the Delhi High Court on November 11, 2022, and the same was allowed by order dated February 9, 2023, granting permission to serve notice by publication in newspapers. The matter is currently pending.

*Disciplinary actions including penalties imposed by SEBI or a recognised stock exchange in the last five Fiscals*

For details in relation the penalties imposed by SEBI on our Promoter, see “-Actions by statutory or regulatory authorities against our Promoter” on page 369.

Except as disclosed below, there are no penalties imposed by recognized stock exchanges on our Promoter in the last five financial years:

Penalties imposed by NSE:

(₹ in million)	
Particulars	Amount
Non-Compliance with Regulation 33 of the SEBI LODR Regulations for the quarter and financial year ended March 31, 2018	6.30
Non-Compliance with Regulation 33 of the SEBI LODR Regulations for the quarter and financial year ended March 31, 2018	0.04
Non-Compliance with Regulation 18(1) of the SEBI LODR Regulations during the quarter ended December 31, 2018	0.12
Non-Compliance with Regulation 18(1) of the SEBI LODR Regulations during the quarter ended March 31, 2019	0.07

Penalties imposed by BSE:

(₹ in million)	
Particulars	Amount
Non-Compliance with Regulation 33 of the SEBI LODR Regulations for the quarter and financial year ended March 31, 2018	6.21
Non-Compliance with Regulation 33 of the SEBI LODR Regulations for the quarter and financial year ended March 31, 2018	0.13
Non-Compliance with Regulation 18(1) of the SEBI LODR Regulations during the quarter ended December 31, 2018	0.12
Non-Compliance with Regulation 18(1) of the SEBI LODR Regulations during the quarter ended March 31, 2019	0.07

*Tax proceedings involving our Promoter*



Nature of case	Number of cases	Amount in dispute/demand (in ₹ million, to the extent quantifiable)
Direct tax	14	713.30
Indirect tax	4	396.60
<b>Total</b>	<b>18</b>	<b>1,109.89</b>

## E. LITIGATION INVOLVING OUR GROUP COMPANIES WHICH MAY HAVE A MATERIAL IMPACT ON OUR COMPANY

### *Litigation against our Group Companies*

#### *Escorts Heart Institute and Research Centre Limited (“EHIRCL”)*

- On April 9, 2021, SEBI issued a show cause notice (“SCN”) to various noticees, including Escorts Heart Institute and Research Centre Limited (“EHIRCL”), alleging that certain noticees, including EHIRCL, were part of a fraudulent and deceptive device wherein they acted in fraudulent manner which led to the misuse and/or diversion of funds from a listed company i.e. Fortis Healthcare Limited (“Fortis”), amounting to approximately ₹3,971.00 million for the ultimate benefit of the erstwhile promoters of Fortis and entities owned/controlled by them. In this respect, on May 18, 2022, SEBI passed an order holding EHIRCL responsible for the fraudulent scheme perpetrated at the behest of the then management of Fortis and Fortis Hospitals Limited for the benefit of the erstwhile promoters of Fortis and therefore violating the relevant provisions of SEBI (PFUTP) Regulations and imposed a penalty of ₹10.00 million on EHIRCL for violation of certain provisions of SEBI laws (“**Impugned Order**”).

EHIRCL has filed an appeal against Impugned Order before the Securities Appellate Tribunal, Mumbai (“SAT”). While SAT has stayed Impugned Order subject to a deposit of 50% of the penalty amount with SEBI, which has been deposited by EHIRCL in accordance with SAT's instructions, the appeal remains pending adjudication.

#### *Fortis Hospitals Limited (“FHsL”)*

- For details regarding the show cause notice dated November 20, 2020 issued by SEBI to FHsL, see “*Litigation involving our Promoter – Litigation against our Promoter – Actions by statutory or regulatory authorities against our Promoter*” on page 369.

## F. OUTSTANDING DUES TO CREDITORS

In accordance with the Materiality Policy, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹ 69.74 million, being 5% of the consolidated trade payables as on March 31, 2023 (“**Material Creditor**”).

As of March 31, 2023, outstanding dues to Material Creditors, micro, small and medium enterprises and other creditors, on a consolidated basis, is as follows:

Sr. No.	Type of creditor	No. of creditors	Amount involved (in ₹ million)
1.	Micro, small and medium enterprises*#	217	166.10^
2.	Material Creditors	Nil	Nil
3.	Other creditors	3588	1,228.62^
	<b>Total</b>	<b>3,805</b>	<b>1,394.72</b>

\*As defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended.

#Including interest.

^ Including provisions and amounts not attributable to individual creditors.

In terms of the Materiality Policy, there are no Material Creditors of our Company as on the date of this Draft Red Herring Prospectus.

## G. MATERIAL DEVELOPMENTS

Except as disclosed in “*Management’s Discussion and Analysis of Financial Position and Results of*”

*Operations – Significant Developments subsequent to March 31, 2023*” on page 349, there have been no material developments, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances, which materially and adversely affect, or are likely to affect our trading or profitability of our Company or the value of our assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

Set out below is a list of all material consents, licenses, permissions, registrations and approvals applicable to our Company and Material Subsidiaries which are required from various governmental, statutory and regulatory authorities in India, and are necessary for undertaking our Company and Material Subsidiaries' business ("**Material Approvals**"). Some of these may expire in the ordinary course of business, the applications for renewal of which are submitted in accordance with applicable procedures and requirements.

We have also disclosed below (i) the Material Approvals that have expired and for which renewal applications have been made; (ii) the Material Approvals that have expired and for which renewal applications are yet to be made; (iii) the Material Approvals required and applied for but yet to be received and (iv) Material Approvals required but not yet applied for.

For details in connection with the regulatory and legal framework within which our Company and our Material Subsidiaries operate, see "Key Regulations and Policies" on page 192.

For Offer related approvals, see "Other Regulatory and Statutory Disclosures" on page 378 and for incorporation details of our Company and Material Subsidiaries, see "History and Certain Corporate Matters" and "Our Holding Company, Our Subsidiaries, and Our Joint Venture" on pages 200 and 207.

### **I. Material Approvals in relation to our business and operations**

#### ***Material business related approvals in respect of patient service centers and laboratories operated and maintained by our Company and Material Subsidiaries***

1. Registration under the Clinical Establishments (Registration and Regulations) Act, 2010 or under respective State clinical establishment legislations and rules thereunder, as applicable, issued by the appropriate State authority, wherever applicable.
2. Trade license under applicable local municipality laws, issued by appropriate local municipality, wherever applicable.
3. Consent to operate and consent to establish under the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981, issued by the respective State Pollution Control Board, wherever applicable.
4. Biomedical waste authorisation under the Biomedical Waste (Management and Handling) Rules, 2016, issued by the respective State Pollution Control Board, wherever applicable.
5. Registration under the Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 and the rules thereunder, issued by the appropriate State authority, wherever applicable.
6. Fire safety no objection certificate issued by the appropriate municipal authority fire department under the relevant State legislation, wherever applicable.
7. Registration for operation of medical diagnostic X-ray equipment under the Atomic Energy Act, 1962 and the rules thereunder, issued by the Atomic Energy Regulatory Board, wherever applicable.
8. Registration for operation of generators issued by the respective state electrical inspectorate, wherever applicable.

#### ***Material labour/employment related approvals***

1. Registration under applicable shops and establishments legislation for our laboratories, patient service centres and offices, issued by the ministry or department of labour of relevant State government, wherever applicable.
2. Registration under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, issued by the Employees' Provident Fund Organisation.
3. Registration under the Employees' State Insurance Act, 1948, issued by the Regional Office, Employees State Insurance Corporation of the respective States.

### **Material tax related approvals**

1. Permanent account number of our Company and our Material Subsidiaries issued by the Income Tax Department under the Income Tax Act, 1961.
2. Tax deduction account number of our Company and our Material Subsidiaries issued by the Income Tax Department under the Income Tax Act, 1961.
3. Goods and services tax registration of our Company and our Material Subsidiaries issued under the Goods and Service Tax Act, 2017 and the respective State goods and service tax legislations.
4. Importer-Exporter Code registration certificate of our Company and Agilus Pathlabs Private Limited (being our Material Subsidiary) issued by the Directorate General of Foreign Trade, Government of India under the Foreign Trade (Development and Regulation) Act, 1992.

### **II. Material Approvals that have expired and for which renewal applications have been made:**

<b>Nature of approval</b>	<b>Issuing authority</b>	<b>Date of acknowledgement of application / date of application</b>
Clinical establishment registration for the patient service centre at Burdwan, West Bengal	Department of Health and Family Welfare, Government of West Bengal	July 12, 2022
Biomedical waste management for the laboratory at Ulloor, Thiruvananthapuram	Kerala Pollution Control Board	November 8, 2022
Trade license for the laboratory at Gurugram, Haryana	Department of Urban Local Bodies, Government of Haryana	April 1, 2023
Trade license for the laboratory at Golf course, Gurugram, Haryana	Department of Urban Local Bodies, Government of Haryana	April 1, 2023

### **III. Material Approvals that have expired and for which renewal applications are yet to be made:**

Nil

### **IV. Material Approvals required and applied for but yet to be received:**

<b>Nature of approval</b>	<b>Issuing authority</b>	<b>Date of acknowledgement of application / date of application</b>
Clinical establishment registration for the laboratory at Ulloor, Trivandrum, Kerala	Department of Urban Local Bodies, Government of Kerala	December 18, 2020
Clinical establishment registration for the laboratory at Kollam, Kerala	Department of Health and Family Welfare, Government of Kerala	January 23, 2020
Consent to operate for the patient service centre at Burdwan, West Bengal	West Bengal Pollution Control Board	July 24, 2022
Biomedical waste management for the patient service centre at Burdwan, West Bengal	West Bengal Pollution Control Board	July 24, 2022
Trade license for the laboratory at Kharghar, Maharashtra	Department of Urban Local Bodies, Government of Maharashtra	September 2, 2022
Consent to operate for the laboratory in Aundh, Pune, Maharashtra	Maharashtra Pollution Control Board	June 28, 2023
Biomedical waste management for the laboratory at Aundh, Maharashtra	Maharashtra Pollution Control Board	June 28, 2023

### **V. Material Approvals required but not yet applied for by our Company:**

Nil

## **Intellectual property rights**

For details, see “*Our Business - Intellectual Property*” on page 189 and for risks associated with our intellectual property, see “*Risk Factors - Our trade mark applications in relation to our new brand, “Agilus Diagnostics” and “Agilus” are not yet registered, and some have been objected/opposed by other parties. Any inability to obtain registration or otherwise protect our intellectual property rights, or any exposure to misappropriation and infringement claims by third parties, could have an adverse effect on our business, reputation, financial condition and results of operations.*” on page 38.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

The Offer has been authorized by a resolution of our Board dated August 4, 2023.

The initiation of the Offer process and other related matters were approved, by the board of directors and the shareholders of our Promoter (by resolutions dated August 4, 2023 and September 7, 2023, respectively), with the actual timing and implementation of the Offer itself being subject to determination by the respective boards of the Promoter and our Company, after considering the prevailing market conditions and other relevant factors.

Further, our IPO Committee has taken on record the respective consents for the Offer for Sale by the Selling Shareholders in its meeting held on September 29, 2023.

Our Board and IPO Committee have each approved this Draft Red Herring Prospectus pursuant to their resolutions dated September 25, 2023 and September 29, 2023, respectively.

Each of the Selling Shareholders have, severally and not jointly, authorised and confirmed inclusion of their portion of the Offered Shares as part of the Offer for Sale, as set out below:

S. No.	Name of the Selling Shareholder	Aggregate number of Equity Shares being offered in the Offer for Sale	Date of board resolution / corporate authorisation	Date of consent letter
1.	International Finance Corporation	Up to 2,985,075 Equity Shares	August 31, 2023	September 29, 2023
2.	NYLIM Jacob Ballas India Fund III LLC	Up to 7,462,700 Equity Shares	August 2, 2023	September 29, 2023
3.	Resurgence PE Investments Limited	Up to 3,786,189 Equity Shares	August 9, 2023	September 29, 2023

### In-principle listing approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

### Prohibition by SEBI or other governmental authorities

Our Company, our Subsidiaries, our Promoter, our Directors, the members of the Promoter Group and each of the Selling Shareholders, the persons in control of our Company 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 jurisdiction or any other authority / court.

### Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoter, the members of the Promoter Group and each of the Selling Shareholders severally and not jointly confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, in relation to our Company, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

### Directors associated with the securities market

Except for Suvalaxmi Chakraborty who is a director on the board of Kaleidofin Private Limited, which is a SEBI registered entity, none of our Directors are, in any manner, associated with the securities market. Further, there are no outstanding actions against Suvalaxmi Chakraborty or Kaleidofin Private Limited, initiated by SEBI in the past five years.

### Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- (a) Our Company has had net tangible assets of at least ₹ 30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each);
- (b) Our Company has an average operating profit of at least ₹ 150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- (c) Our Company has a net worth of at least ₹ 10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and
- (d) Except as disclosed in “*History and Certain Corporate Matters- Amendments to our Memorandum of Association*” on page 201, our Company has not changed its name in the year immediately preceding the date of this Draft Red Herring Prospectus. Our Company is of the view that the change of its name does not indicate a new line of business / activity for the Company. Further our Company has not undertaken any new business activity indicated pursuant to the new name.

Unless stated otherwise, our Company’s net tangible assets, operating profits and net worth, have been derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at and for the last three Financial Years, which are set forth below:

*Derived from our Restated Consolidated Financial Information:*

*(in ₹ million, unless otherwise stated)*

Particulars	Financial year ended		
	March 31, 2021	March 31, 2022	March 31, 2023
Net Tangible Assets, as restated and consolidated <sup>1</sup>	8,739.59	7,263.93	6,842.66
Operating Profit, as restated and consolidated <sup>2</sup>	1,665.18	6,386.82	1,500.16
Average Operating Profit, as restated and consolidated	3,184.05		
Net Worth, as restated and consolidated <sup>3</sup>	11,695.71	17,243.43	18,037.66

*Source: Restated Consolidated Statement of Assets and Liabilities and Restated Consolidated Statement of Profit and Loss of the Company as included in this Draft Red Herring Prospectus under the section “Financial Statements”*

*Notes:*

1. *Net Tangible Assets, restated and consolidated, mean the sum of all net assets of the Company and excluding intangible assets, each on restated and on consolidated basis and as defined in Indian Accounting Standard 38, Intangible Assets.*
2. *Restated and consolidated Operating Profit has been calculated as restated and consolidated net profit before tax excluding other income and finance cost each on a restated and consolidated basis.*
3. *Restated and consolidated Net Worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or 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 the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Further, capital reserve have been excluded when computing net worth since these were not created out of the profits*

The Selling Shareholders have confirmed that they have held the Offered Shares for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus and that they are in compliance with Regulation 8 of the SEBI ICDR Regulations and are eligible for being offered in the Offer for Sale.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, and should our Company fail to do so, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and applicable law.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulations 5 and 7(1) of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

1. Neither our Company, our Promoter, our Promoter Group, our Directors or any of the Selling Shareholders are debarred from accessing the capital markets by SEBI.
2. Neither our Promoter or Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI.
3. Neither our Company, our Promoter or Directors is a Wilful Defaulter or a Fraudulent Borrower.
4. None of our Directors has been declared a Fugitive Economic Offender.

5. Our Company along with Registrar to the Offer has entered into tripartite agreements dated April 15, 2009, and March 2, 2009, with NSDL and CDSL, respectively, for dematerialization of the Equity Shares.
6. The Equity Shares of our Company held by our Promoter are in the dematerialised form.
7. All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.
8. Except for the options granted pursuant to ESOP Schemes, there are no outstanding convertible securities, including any outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus. For further details, see “*Capital Structure- Employee Stock Option Schemes of our Company*” on page 95.
9. 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.

#### **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, ICICI SECURITIES LIMITED, AXIS CAPITAL LIMITED AND CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND EACH OF THE SELLING SHAREHOLDERS ARE, SEVERALLY AND NOT JOINTLY, RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES FOR THEIR RESPECTIVE PORTION OF THE OFFERED SHARES, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 29, 2023, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED 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 this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All applicable legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.



### **Disclaimer from our Company, our Directors, our Promoter, the Selling Shareholders and the Book Running Lead Managers**

Our Company, our Directors, our Promoter, the Selling Shareholders and the Book Running Lead Managers 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 <https://agilusdiagnostics.com/> or the respective website of any of our Subsidiaries or Group Companies or members of the Promoter Group and affiliates (each as applicable) would be doing so at his or her own risk. Each Selling Shareholder including their respective directors, affiliates, associates and officers, accept or undertake no responsibility for any statements other than those undertaken or confirmed by such Selling Shareholder in relation to themselves and their respective portion of the Offered Shares.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders, severally and not jointly (to the extent that the information pertain to themselves and their respective portions of the Offered Shares through the Offer Documents), and the Book Running Lead Managers to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters, Book Running Lead Managers and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not 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, Underwriters, Book Running Lead Managers and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Book Running Lead Managers and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Promoter, our Promoter Group, the Selling Shareholders and their respective directors and officers, 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, our Promoter, our Promoter Group, the Selling Shareholders and their respective directors, officers, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

### **Disclaimer in respect of Jurisdiction**

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra India only.

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, state industrial development corporations, permitted insurance companies registered with IRDAI, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, permitted provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by the army and navy or air force of Union of India and insurance funds set up and managed by the Department of Posts, India, systemically important NBFCs registered with the RBI and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This 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.**

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. Neither the delivery of this Draft Red Herring Prospectus nor the offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been and will not be registered under the 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 U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside 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.**

**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.**

#### **Important Information for Investors – Eligibility and Transfer Restrictions**

**Until the expiry of 40 days after the commencement of the Offer, an offer or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act, unless made pursuant to available exemptions from the registration requirements of the U.S. Securities Act and in accordance with applicable securities laws of any state or other jurisdiction of the United States.**

**The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this 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 the Offer, including the merits and risks involved.**

#### ***Eligible Investors***

The Equity Shares are being offered and sold outside the United States, in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur; and who are deemed to have made the representations set forth immediately below.

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer outside the United States, by a declaration included in the Bid cum Application Form and its acceptance of the Red Herring Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented and warranted to and agreed with our Company, the Selling Shareholders and the BRLMs that it has received a copy of the Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
3. the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an offshore transaction

meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

4. the purchaser is not purchasing the Equity Shares as a result of any "directed selling efforts" (as such term is defined in Rule 902 of Regulation S under the U.S. Securities Act);
5. the purchaser is not an affiliate of our Company or the Selling Shareholders or a person acting on behalf of an affiliate of the Company or the Selling Shareholders;
6. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;
7. the purchaser acknowledges that our Company, the Selling Shareholders, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

#### **Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus will 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 the RoC filing.

#### **Disclaimer Clause of NSE**

As required, a copy of this Draft Red Herring Prospectus will 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 the RoC filing.

#### **Listing**

The Equity Shares issued pursuant to the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised. Applications will be made to the Stock Exchanges for obtaining their permission for the listing and trading of the Equity Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid / Offer Closing Date or within such other period as may be prescribed. Each Selling Shareholder confirms that they shall extend reasonable support and co-operation (to the extent of its portion of the Offered Shares) as required by law 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. If our Company does not Allot the Equity Shares within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Account(s) will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders as prescribed under applicable law. For avoidance of doubt, no liability to make any payment of interest or expenses shall accrue to any Selling Shareholder unless the delay in making any of the payments/refund hereunder or the delay in obtaining listing 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 their portion of the Offered Shares.

#### **Consents**

Consents in writing of (a) each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, legal counsels appointed for the Offer, Bankers to our Company, the Book Running Lead Managers, Registrar to the Offer, Statutory Auditors, independent chartered accountant and CRISIL have been obtained; (b)

consents of the Syndicate Members, Public Offer Account Bank, Sponsor Bank(s), Escrow Collection Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, and such consents shall not be withdrawn up to the time of filing of the Red Herring Prospectus with the RoC.

### **Experts to the Offer**

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

Our Company has received written consent dated September 28, 2023, from our Statutory Auditors, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors and in respect of their (i) examination report dated September 25, 2023, on our Restated Consolidated Financial Information; and (ii) report dated September 28, 2023, on the statement of possible special tax benefits and included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this DRHP. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

### **Particulars regarding public or rights issues by our Company during the last five years and performance vis-à-vis objects**

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Draft Red Herring Prospectus.

### **Performance vis-à-vis objects – public/rights issue of subsidiaries/ listed promoter**

As on date of this Draft Red Herring Prospectus, our Company does not have any listed subsidiaries. Our Promoter, Fortis Healthcare Limited which is listed on the Stock Exchanges, has not undertaken any public or rights issue of its equity shares in the preceding five years.

### **Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares**

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

### **Capital issue (public/rights/composite) during the previous three years by our Company, our listed group companies, subsidiaries and associates**

Our Company has not undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus. As on the date of this Draft Red Herring Prospectus, our Company does not have any listed subsidiaries or associates. None of our listed group companies have undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus.

## Price information of past issues handled by the BRLMs

### A. ICICI Securities Limited

#### 1. Price information of past issues handled by ICICI Securities Limited (during the current Fiscal and two Fiscals preceding the current financial year)

Sr. No.	Issuer name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1	Fusion Micro Finance Limited^^	11,039.93	368.00	15-Nov-22	359.50	+9.86%, [+1.40%]	+12.84%, [-2.97%]	+25.52%, [-0.48%]
2	Five Star Business Finance Limited^^	15,885.12	474.00	21-Nov-22	468.80	+29.72%, [+1.24%]	+19.20%, [-1.19%]	+11.72%, [+0.24%]
3	Archean Chemical Industries Limited^^	14,623.05	407.00	21-Nov-22	450.00	+25.42%, [+1.24%]	+56.87%, [-1.19%]	+32.68%, [+0.24%]
4	Landmark Cars Limited^	5,520.00	506.00 <sup>(1)</sup>	23-Dec-22	471.30	+22.83%, [+1.30%]	+1.16%, [-2.72%]	+35.06%, [+5.82%]
5	KFIN Technologies Limited^^	15,000.00	366.00	29-Dec-22	367.00	-13.55%, [-3.22%]	-24.56%, [-6.81%]	-4.48%, [+2.75%]
6	Utkarsh Small Finance Bank Limited^^	5,000.00	25.00	21-Jul-23	40.00	+92.80%, [-2.20%]	NA*	NA*
7	SBFC Finance Limited^^	10,250.00	57.00 <sup>(2)</sup>	16-Aug-23	82.00	+51.75%, [+3.28%]	NA*	NA*
8	Jupiter Lifeline Hospitals Limited^^	8,690.76	735.00	18-Sep-23	973.00	NA*	NA*	NA*
9	Zaggle Prepaid Ocean Services Limited^^	5,633.77	164.00	22-Sep-23	164.00	NA*	NA*	NA*
10	Signatureglobal (India) Limited^^	7,300.00	385.00	27-Sep-23	444.00	NA*	NA*	NA*

\*Data not available

^BSE as designated stock exchange

^^NSE as designated stock exchange

(1) Discount of Rs. 48 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 506.00 per equity share.

(2) Discount of Rs. 2 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 57.00 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 amount of funds raised (₹ million)	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%
2023-24*	5	36,874.53	-	-	-	2	-	-	-	-	-	-	-	-

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	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%
2022-23	9	2,95,341.82	-	1	3	-	3	2	-	1	1	-	5	2
2021-22	26	7,43,520.19	-	3	6	6	4	7	3	4	5	5	4	5

\* 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. 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day is a holiday, in which case we have considered the closing data of the previous trading day

## B. Axis Capital Limited

### 1. Price information of past issues handled by Axis Capital Limited (during the current Fiscal and two Fiscals preceding the current financial year)

Sr. No.	Issuer name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1	SignatureGlobal Limited <sup>(2)</sup> (India)	7,300.00	385.00	27-Sep-23	445.00	-	-	-
2	R R Kabel Limited <sup>^ (1)</sup>	19,640.10	1,035.00	20-Sep-23	1,179.00	-	-	-
3	TVS Supply Chain Solutions Limited <sup>(2)</sup>	8,800.00	197.00	23-Aug-23	207.05	+8.71%, [+1.53%]	-	-
4	SBFC Finance Limited <sup>l(2)</sup>	10,250.00	57.00	16-Aug-23	82.00	+51.75%, [+3.28%]	-	-
5	Cyient DLM Limited <sup>&amp; (2)</sup>	5,920.00	265.00	10-Jul-23	403.00	+86.79%, [+1.11%]	-	-
6	Mankind Pharma Limited <sup>(2)</sup>	43,263.55	1,080.00	09-May-23	1,300.00	+37.61%, [+2.52%]	+74.13%, [+6.85%]	-
7	Elin Electronics Limited <sup>(1)</sup>	4,750.00	247.00	30-Dec-22	243.00	-15.55%, [-2.48%]	-52.06%, [-4.73%]	-29.35%, [+4.23%]
8	Landmark Cars Limited <sup>*(1)</sup>	5,520.00	506.00	23-Dec-22	471.30	+22.83%, [+1.30%]	+1.16%, [-2.72%]	+35.06%, [+5.82%]
9	Uniparts India Limited <sup>(1)</sup>	8,356.08	577.00	12-Dec-22	575.00	-5.11%, [-3.24%]	-7.38%, [-4.82%]	-0.60%, [+0.80%]
10	Keystone Realtors Limited <sup>(1)</sup>	6,350.00	541.00	24-Nov-22	555.00	-12.26%, [-3.90%]	-9.70%, [-2.57%]	-8.64%, [-0.50%]

Source: [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)

<sup>(1)</sup>BSE as Designated Stock Exchange

<sup>(2)</sup>NSE as Designated Stock Exchange

<sup>^</sup> Offer Price was ₹ 937.00 per equity share to Eligible Employees

<sup>l</sup> Offer Price was ₹ 55.00 per equity share to Eligible Employees

<sup>&</sup> Offer Price was ₹ 250.00 per equity share to Eligible Employees

<sup>\*</sup> Offer Price was ₹ 458.00 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**

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	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%
2023-24*	6	95,173.65	-	-	-	2	1	1	-	-	-	-	-	-
2022-23	11	279,285.39	-	1	6	-	2	2	-	2	5	-	3	1
2021-22	25	609,514.77	-	2	6	6	5	6	3	4	3	5	3	7

\* 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.

**C. Citigroup Global Markets India Private Limited**

**1. Price information of past issues handled by Citigroup Global Markets India Private Limited (during the current Fiscal and two Fiscals preceding the current financial year)**

Sr. No.	Issuer name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1	R R Kabel Limited	19,640.10	1,035.00	September 20, 2023	1,180.00	NA	NA	NA
2	Concord Biotech Limited	15,505.21	741.00	August 18, 2023	900.05	+7.54% [+4.57%]	NA	NA
3	Delhivery Limited	52,350.0	487.00	May 24, 2022	495.20	+3.49% [-4.41%]	+17.00% [+10.13%]	-27.99% [+13.53%]
4	Life Insurance Corporation of India	205,572.3	949.00	May 17, 2022	872.00	-27.28% [-3.49%]	-28.09% [+8.85%]	-33.86% [+12.86%]
5	Star Health and Allied Insurance Company Limited	64,004.39	900.00	December 10, 2021	845.00	-14.78% [+1.96%]	-29.79% [-6.66%]	-22.21% [-6.25%]
6	One 97 Communications Limited	183,000.00	2,150.00	November 18, 2021	1,955.00	-38.56% [-4.17%]	-60.40% [-2.32%]	-72.49% [-10.82%]
7	PB Fintech Limited	57,097.15	980.00	November 15, 2021	1,150.00	14.86% [-4.17%]	-20.52% [-4.06%]	-33.86% [-12.85%]

Sr. No.	Issuer name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
8	FSN E-Commerce Ventures Limited	53,497.24	1,125.00	November 10, 2021	2,018.00	92.31%[-2.53%]	68.46%[-4.46%]	36.80%[-8.91%]
9	Aditya Birla Sun Life AMC Limited	27,682.56	712.00	October 11, 2021	715.00	-11.4%[-0.98%]	-23.85%[-0.51%]	-25.65%[-0.90%]
10	Aptus Value Housing Finance India Limited	27,800.52	353.00	August 24, 2021	333.00	-2.82%[+5.55%]	-0.82%[+7.38%]	+0.62%[+6.86%]

Source: www.nseindia.com

Notes:

1. Nifty is considered as the benchmark index.

2. % of change in closing price on 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> calendar day from listing day is calculated vs. Issue Price. % change in closing benchmark index is calculated based on closing index on listing day vs. closing index on 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> calendar day from listing day.

3. 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day is a holiday, in which case closing price on NSE of a trading day immediately prior to the 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day, is considered.

**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 Citigroup Global Markets India Private Limited**

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	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%
2023-24	2	35,145.31	-	-	-	-	-	1	-	-	-	-	-	-
2022-23	2	257,922.30	-	1	-	-	-	1	-	2	-	-	-	-
2021-22	8	5,36,816.99	-	1	4	2	-	1	2	2	1	1	1	1

Source: www.nseindia.com

Notes:

(1) The information is as on the date of the document.

(2) The information for each of the financial years is based on issues listed during such financial year.

(3) 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.



## Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular bearing number CIR/MIRSD/1/2012 dated January 10, 2012, issued by SEBI, see the websites of the Book Running Lead Managers, as provided in the table below:

S. No.	Name of the Book Running Lead Managers	Website
1.	ICICI Securities Limited	www.icicisecurities.com
2.	Axis Capital Limited	www.axiscapital.co.in
3.	Citigroup Global Markets India Private Limited	www.online.citibank.co.in

## Stock Market Data of Equity Shares

This being an initial public issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus and accordingly, no stock market data is available for the Equity Shares.

## Redressal and disposal of investor grievances by our Company

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 to enable the Bidders to approach the Registrar to the Offer for redressal of their grievances. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving full details such as name of the sole or First Bidder, ASBA 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 UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of ASBA 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.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the Book Running Lead Managers where the Bid cum Application Form was submitted by the Anchor Investor.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding four Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, 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. The following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn /	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on

Scenario	Compensation amount	Compensation period
deleted applications		the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	Instantly revoke the blocked funds other than the original application amount and ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and ₹ 100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer Book Running Lead Managers shall be liable to compensate the Bidders at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Bidders can contact our Company Secretary and Compliance officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

#### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 (ten) 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 within 30 days of receipt of complaint or upon receipt of satisfactory documents.

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. Furthermore, our Company does not have any listed subsidiaries.

As on the date of this Draft Red Herring Prospectus, there are no investor complaints/grievances pending against our listed Group Companies, namely Fortis Malar Hospitals Limited and Apollo Hospitals Enterprise Limited.

Our Company shall, after filing of this Draft Red Herring Prospectus, obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders' Relationship Committee comprising Dr. Ashutosh Raghuvanshi, Ravi Rajagopal and Anand Kuppuswamy as its members which is responsible for redressal of grievances of

security holders of our Company. For further details on the Stakeholders' Relationship Committee, see "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on page 224.

Our Company has also appointed Trapti, Company Secretary and Compliance Officer for the Offer. For further details, see "*General Information*" on page 75. For helpline details of the Book Running Lead Managers pursuant to the SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see "*General Information – Book Running Lead Managers*" on page 77.

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

Our Company has not sought any exemption from complying with any provisions of securities laws from SEBI.

**Other confirmations**

No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

## SECTION VIII - OFFER INFORMATION

### TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to this Offer shall be subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities offered from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of this Offer and to the extent applicable, or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.

#### The Offer

The Offer comprises of an Offer for Sale by the Selling Shareholders. Expenses for the Offer shall be borne by our Company and the Selling Shareholders in the manner specified in “*Objects of the Offer – Offer Related Expenses*”, on page 102.

#### Ranking of the Equity Shares

The Equity Shares being Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend, voting and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see “*Description of Equity Shares and Terms of the Articles of Association*” on page 424.

#### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to Shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum of Association and Articles of Association, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, in accordance with applicable law. For further details in relation to dividends, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of the Articles of Association*” on pages 240 and 424, respectively.

#### Face Value, Price Band and Offer Price

The face value of the Equity Shares is ₹10. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share. The Offer Price, Price Band and minimum Bid Lot for the Offer will be decided in accordance with applicable law and in consultation with the BRLMs, and advertised in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper, and [●] editions of [●] a Punjabi daily newspaper (Punjabi being the regional language of Punjab, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid / Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their 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 websites of the Stock Exchanges. The Offer Price shall be determined in accordance with applicable law and in consultation with the BRLMs, after the Bid / Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

#### Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, our Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting rights, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or 'e-voting' in accordance with the provisions of the Companies Act;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation subject to any statutory and preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws, including rules framed by the RBI; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/or consolidation / splitting, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 424.

## **Allotment of Equity Shares in dematerialised form**

Pursuant to Section 29 of the Companies Act, 2013, and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialised form only. In this context, our Company has entered into the following agreements:

- (i) Tripartite agreement dated April 15, 2009, amongst our Company, NSDL and Registrar to the Offer.
- (ii) Tripartite agreement dated March 2, 2009, amongst our Company, CDSL and Registrar to the Offer.

## **Market Lot and Trading Lot**

The trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see "*Offer Procedure*" on page 402.

## **Joint Holders**

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

## **Jurisdiction**

The courts of Mumbai, Maharashtra, India will have exclusive jurisdiction in relation to this Offer.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.**

Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

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.

#### Period of operation of subscription list

See “– Bid/ Offer Programme” on page 394.

#### Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Collecting Depository Participant of the applicant will prevail. If Bidders wish to change their nomination, they are requested to inform their respective Collecting Depository Participant.

#### Bid/ Offer Programme

BID/ OFFER OPENS ON	[●] <sup>(1)</sup>
BID/ OFFER CLOSES ON	[●] <sup>(2)(3)</sup>

<sup>(1)</sup> Participation by Anchor Investors may be considered in accordance with applicable law and in consultation with the BRLMs. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.

<sup>(2)</sup> Closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date may be considered in accordance with applicable laws and in consultation with the BRLMs.

<sup>(3)</sup> UPI mandate end time and date shall be at 5.00 p.m. on the Bid / Offer Closing Date.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/ Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

\*In case of (i) 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 for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the March 2021 Circular, as amended pursuant to June 2021 Circular shall be deemed to be incorporated in the agreements to be entered into by and between our Company and the relevant intermediaries, to the extent applicable.

The processing fees for applications made by UPI Bidders 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 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

**The above timetable is indicative and does not constitute any obligation or liability on our Company, the Selling Shareholders or the BRLMs.**

**While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid / Offer Closing Date, or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid / Offer Period by our Company and our Promoter in consultation with the Selling Shareholders and the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each Selling Shareholder, severally and not jointly, confirm that they shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid / Offer Closing Date, or within such other period as may be prescribed.**

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid / Offer Closing Date, identifying 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. The revised timeline of T+3 days shall be made applicable in two phases i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Please note that we will make appropriate changes in the Red Herring Prospectus and Prospectus depending upon the prevailing conditions at the time of the opening of the Offer. 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):**

Bid/ Offer Period (except the Bid/ Offer Closing Date)	
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

\*UPI mandate end time and date shall be at 5.00 pm on Bid/Offer Closing Date.

**On the Bid/ Offer Closing Date, the Bids shall be uploaded until:**

4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid / Offer Closing Date, extension of time will be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled / withdrawn / deleted applications to the SCSB's on 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 SCSB's shall unblock such applications by the closing hours of the Working Day.

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.

**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 or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date, and in any case no later than 1:00 p.m. IST on the Bid/ Offer Closing Date. Any reference to a particular time mentioned in this Draft Red Herring Prospectus is a reference to IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids and any revision to the Bids, will be accepted only during Working Days, during the Bid/ Offer Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Offer period. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

The right to revise the Price Band is reserved in accordance with applicable law and in consultation with the BRLMs 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 can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price will not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price, subject to minimum 105% of the Floor Price.

**In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and our Promoter in consultation with the Selling Shareholders and BRLMs, 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 Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and terminals of the Syndicate Members, as required under the SEBI ICDR Regulations, and by intimation to the Designated Intermediaries and the Sponsor Bank(s) , as applicable. In case of revision of price band, the Bid lot shall remain the same.**



In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

### **Minimum Subscription**

As this is an offer for sale by the Selling Shareholders, the requirement of minimum subscription is not applicable to the Offer in accordance with the SEBI ICDR Regulations. However, if our Company does not make the minimum Allotment as specified under terms of the Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, or fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares, our Company shall within four days from the closure of the Offer, refund the entire subscription amount received. If there is a delay beyond four days, interest at the rate of 15% per annum shall be paid by our Company and each of our Directors, in accordance with SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, including the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023.

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, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. It is clarified that, subject to applicable laws, none of the Selling Shareholders shall be liable to pay any amounts as interest for any delay, unless such default or delay is solely and directly attributable to an act or omission of the respective Selling Shareholder.

### **Arrangements for disposal of odd lots**

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

### **New financial instruments**

Our Company is not issuing any new financial instruments through this Offer.

### **Restriction on transfer and transmission of shares**

Except for the lock-in of the pre-Offer Equity Shares, the Promoter's Contribution and Equity Shares allotted to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" on page 84, and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Description of Equity Shares and Terms of the Articles of Association*" at page 424.

### **Option to receive Equity Shares in Dematerialized Form**

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

### **Withdrawal of the Offer**

Our Company, in consultation with the Selling Shareholders and BRLMs, reserves the right to not proceed with the entire or portion of the Offer for any reason at any time before the Allotment. In an event the withdrawal from the Offer is after the Bid / Offer Closing Date, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid / Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s) 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. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed 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 STRUCTURE

The Offer is being made through the Book Building Process. The Offer comprises of the Offer for Sale of up to 14,233,964 Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹ [●] million.

The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 31 of the SEBI ICDR Regulations.

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment / allocation* <sup>(2)</sup>	Not more than [●] Equity Shares.	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Offer Size available for Allotment / allocation	Not more than 50% of the Offer size shall be allocated to QIB Bidders. However, 5% of the Net 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 balance Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs in the Net QIB Portion.	Not less than 15% of the Offer, or the Offer less allocation to QIB Bidders and Retail Individual Bidders will be available for allocation, out of which a) one third of such portion shall be reserved for applicants with application size of more than ₹ 200,000 and up to ₹ 1,000,000; and b) two third of such portion shall be reserved for applicants with application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.	Not less than 35% of the Offer, or the Offer less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment / allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above c) Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor	The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion shall not be less than the minimum application size and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis, in accordance with the conditions specified in the SEBI ICDR Regulations subject to the following:  (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹200,000 and up to ₹ 1,000,000, and  (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹ 1,000,000.  Provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.	The allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see "Offer Procedure" on page 402.

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
	Investor Allocation Price.		
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000.	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹200,000.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the Anchor Portion), subject to applicable limits under applicable law.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the QIB Portion), subject to limits prescribed under applicable law.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.		
Mode of allotment	Compulsorily in dematerialised form.		
Allotment Lot	A minimum of [●] Equity Shares and in multiples of [●] Equity Share thereafter.		
Trading Lot	One Equity Share.		
Who can apply <sup>(3)</sup>	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, Mutual Funds, eligible FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies, in accordance with applicable laws including FEMA Rules.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies family offices, trusts, FPIs who are individuals, corporate bodies and family offices.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta) applying for Equity Shares such that the Bid amount does not exceed ₹200,000 million in value.
Terms of Payment	<p><b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids.<sup>(4)</sup></p> <p><b>In case of all other Bidders:</b> Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.</p>		

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders		Retail Individual Bidders
Mode of Bidding <sup>^</sup>	ASBA only (excluding the UPI Mechanism) except for Anchor Investors.	ASBA only (including UPI Mechanism for Bids up to ₹ 500,000).	ASBA only (including the UPI Mechanism).	

Assuming full subscription in the Offer

<sup>^</sup> SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIB, NIB and RIB and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

<sup>(1)</sup> Up to 60% of the QIB Portion may be allocated to Anchor Investors on a discretionary basis in accordance with applicable law and in consultation with the BRLMs. 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 402.

<sup>(2)</sup> Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹200,000 and up to ₹ 1,000,000, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories on a discretionary basis in accordance with applicable law and 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 further details, see "Terms of the Offer" on page 392.

<sup>(3)</sup> In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

<sup>(4)</sup> Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories on a discretionary basis in accordance with applicable law and 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 further details, see "Terms of the Offer" on page 392.

## OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “**General Information Document**”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI through the UPI Circulars has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Bidders through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Bidders 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 Bidders through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and RIBs submitting their ASBA Forms through Designated Intermediaries (other than SCSBs) can only use UPI Mechanism with existing timeline of T+6 days until further notice pursuant to SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 (“UPI Phase II”). The final reduced timeline will be made effective using the UPI Mechanism for applications by Retail Individual Bidders (“UPI Phase III”), as may be prescribed by SEBI. Pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the final reduced timeline of T+3 days using the UPI Mechanism for applications by UPI Bidders has been made voluntary for public issues opening on or after September 1, 2023, and mandatory for public issues opening on or after December 1, 2023. (“T+3 Circular”) This Draft Red Herring Prospectus has been drafted in accordance with UPI Phase II framework and also reflects additional measures for streamlining the process of initial public offers. Please note that will make appropriate changes in the Red Herring Prospectus and Prospectus depending upon the prevailing conditions at the time of the opening of the Offer.

Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular came into force for initial public offers opening on or after May 1, 2021 except as amended pursuant to SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus. Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. Subsequently, pursuant to the SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Further, our Company, the Selling Shareholders and the BRLMs 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 Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.*

*The BRLMs shall be the nodal entity for any issues arising out of public issuance process.*

*Our Company, the Selling Shareholders and the BRLMs are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.*

### **Book Building Procedure**

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation to QIBs on a proportionate basis, provided that up to 60% of the QIB Portion may be allocated to Anchor Investors on a discretionary basis in accordance with applicable law and in consultation with the BRLMs, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Further, in the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹200,000 and up to ₹1,000,000, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories on proportionate basis, and on a discretionary basis in accordance with applicable law and in consultation with the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press releases dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023.**

**Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID and the Client ID and the PAN and UPI ID (for UPI Bidders Bidding), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

### **Phased implementation of UPI for Bids by RIBs as per the UPI Circulars**

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

- (a) **Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RIB also had the option to submit the ASBA Form with

any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

- (b) **Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by an RIB through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.
- (c) **Phase III:** Pursuant to SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, Phase III has been notified, and accordingly the revised timeline of T+3 days has been made applicable in two phases i.e. (i) voluntary for all public issues opening on or after September 1, 2023; and (ii) mandatory on or after December 1, 2023. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Circular, once Phase III becomes applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

Pursuant to the UPI Circulars, 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 Circulars 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 and submit confirmation of the same to the BRLMs and the Registrar to the Offer 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 BRLMs will be required to compensate the concerned investor.

All SCSBs offering 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 UPI Bidders.

The processing fees for application made by UPI Bidders using the UPI mechanism may be released to the remitter banks (SCSBs) only after such banks make an application to the BRLMs with a copy to the Registrar, and such application shall be made only after (i) unblocking of application amounts in the bank accounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB in accordance with SEBI circular ( SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022.

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 the Book Building process 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. The Designated Intermediaries are given till 5:00 pm on the Bid / Offer Closing Date to modify select fields



uploaded in the Stock Exchanges' platform during the Bid / Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid / Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors and UPI Bidders Bidding using the UPI Mechanism) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

UPI Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to Bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by UPI Bidders with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. Bidders using the ASBA process to participate in the Offer must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein. In order to ensure timely information to investors SCSBs are required to send SMS alerts to investors intimating them about the Bid Amounts blocked / unblocked.

Since the Offer is made under Phase II, ASBA Bidders may submit the ASBA Form in the manner below:

- (i) RIBs 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) UPI Bidders 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 not using the UPI Mechanism 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 or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked.

For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of investors viz. Retail Individual Bidders, QIB and NIB and also for all modes through which the applications are processed.

Non Institutional Bidders bidding through UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions	Blue
Anchor Investors	White

\* Excluding electronic Bid cum Application Forms

Notes:

(1) Electronic Bid cum Application forms will also be available for download on the website of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)).

(2) Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders Bidding) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, 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 UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions / investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in 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, and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

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 5:00 pm on the Bid/Issue Closing Date (“**Cut-Off Time**”). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking of funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank(s) 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(s) 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(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid / Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks / unblocks, performance of apps and UPI handles, down-time / network latency (if any) across intermediaries and any such processes having an impact / bearing on the Offer Bidding process.

**Participation by Promoter, Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to Promoter, Promoter Group, BRLMs and the Syndicate Members and Bids by Anchor Investors**

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Managers nor any associate of the Book Running Lead Managers can apply in the Offer under the Anchor Investor Portion:

- (i) mutual funds sponsored by entities which are associate of the Book Running Lead Managers;
- (ii) insurance companies promoted by entities which are associate of the Book Running Lead Managers;
- (iii) AIFs sponsored by the entities which are associate of the Book Running Lead Managers; or
- (iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Managers; or
- (v) Pension funds sponsored by entities which are associates of the BRLMs

Further, an Anchor Investor shall be deemed to be an “associate of the Book Running Lead Managers” if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Further, the Promoter and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoter and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion.

### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the right to reject any Bid is reserved, 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, subject to applicable law.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

### **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding) to block their Non-Resident External Accounts (“**NRE Account**”), or Foreign Currency Non-Resident Accounts (“**FCNR Account**”), and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“**NRO**”) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA regulations. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Non-debt Instrument 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. Pursuant to the special resolution dated September 8, 2023, passed by our Shareholders, the aggregate ceiling of 10% was raised to 24%.

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 a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour).

For details of restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 422.

### **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 / Application Form as follows: “Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs will be considered at par with Bids from individuals.

### **Bids by FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Offer Equity Share capital on a fully diluted basis. In case the total holding of an FPI or investor group increase beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together can be up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which the right to reject any Bid is reserved 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).

To ensure compliance with the above requirement, SEBI, pursuant to its master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs/FPI investor group who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

- (a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
- (b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
- (c) such offshore derivative instruments are issued after compliance with the ‘know your client’ norms as specified by SEBI; and
- (d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the

SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level / sub fund level where a collective investment scheme or fund has multiple investment strategies / sub-funds with identifiable differences and managed by a single investment manager.
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Collecting Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected. Participation of FPIs in the Offer shall be subject to the FEMA Rules.

**There is no reservation for Eligible NRI Bidders, AIFs and FPIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.**

#### **Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI AIF Regulations, prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

The Category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A Category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a Category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed. Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, the right to reject any Bid is reserved without assigning any reason thereof.

### **Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Bid cum Application Form, failing which the right to reject is reserved any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or (b) the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans / investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the right to reject any Bid is reserved without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 read with the investments – master circular dated October, 2022 ("**IRDA Investment Regulations**"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form. Failing this, the right to reject any Bid is reserved,

without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under subsection (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, 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, the right to accept or reject any Bid in whole or in part, is reserved, in either case, without assigning any reason thereof.

The right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, in absolute discretion is reserved, in consultation with the BRLMs.

### **Bids by provident funds / pension funds**

In case of Bids made by provident funds / pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be attached to the Bid cum Application Form. Failing this, the right to reject any Bid is reserved, without assigning any reason therefor.

### **Bids by Anchor Investors**

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.

- (a) Anchor Investor Application Forms to be made available for the Anchor Investor Portion at the offices of the BRLMs.
- (b) The Bids are required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.
- (c) One-third of the Anchor Investor Portion is reserved for allocation to domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above Anchor Investor Allocation Price.
- (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) The allocation to the Anchor Investors shall be finalised in accordance with applicable law and in consultation with the BRLMs, on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion is not less than:
  - maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million;
  - minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and
  - in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.

- (f) Allocation to Anchor Investors is required to 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 will be made, is required to 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) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- (i) 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 or pension funds sponsored by entities which are associate of the BRLMs) can apply in the Offer under the Anchor Investor Portion.
- (j) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered as multiple Bids.
- (k) 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.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in the Red Herring Prospectus, when filed.**

**In accordance with RBI regulations, OCBs cannot participate in the Offer.**

#### **Information for Bidders**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he / she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

#### **Pre-Offer Advertisement**



Subject to Section 30 of the Companies Act, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, 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 Punjabi daily newspaper (Punjabi being the regional language of Punjab, where our Registered Office is located). Our Company shall, in the pre-Offer advertisement state the Bid / Offer Opening Date, the Bid / Offer Closing Date and the QIB Bid / Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

### **Signing of Underwriting Agreement and filing of Prospectus with the RoC**

Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters on or after the determination of the Offer Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

### **General Instructions**

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. Retail Individual Bidders can revise or withdraw their Bid(s) until the Bid / Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

#### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than UPI Bidders Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. UPI Bidders using the UPI Mechanism must mention their correct UPI ID and shall use only his / her own bank account which is linked to such UPI ID;
4. UPI Bidders Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
5. UPI Bidders Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019 or in the list as updated on the SEBI website from time to time. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
7. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;
8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate, Sub-Syndicate Members, Registered Brokers, RTA or CDP;
9. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;

10. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;
11. 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 Sponsor Bank(s), 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, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
12. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
13. Ensure that the name(s) given in the Bid cum Application Form is / are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
14. Bidders should ensure that they receive the Acknowledgment Slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;
15. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
16. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral / bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
18. Ensure that the Demographic Details are updated, true and correct in all respects;
19. 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;
20. 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;
21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
22. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

23. UPI Bidders Bidding, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
24. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
25. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
26. 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.
27. In case of QIBs and NIBs (other than for Anchor Investor and UPI Bidder), 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>);
28. UPI Bidders Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his / her UPI PIN. Upon the authorization of the mandate using his / her UPI PIN, the UPI Bidder shall be deemed to have verified the attachment containing the application details of the UPI Bidder Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank(s) to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his / her ASBA Account;
29. UPI Bidders 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;
30. UPI Bidders, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in his / her account and subsequent debit of funds in case of allotment in a timely manner;
31. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the ASBA Account;
32. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.
33. Ensure that ASBA bidders shall ensure that bids above ₹500,000, are uploaded only by the SCSBs;
34. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 5:00 p.m. of the Bid / Offer Closing Date.
35. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020, and press releases dated June 25, 2021, and September 17, 2021.

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 list displayed on SEBI's website is liable to be rejected.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by RIBs)
4. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
5. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
6. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;
7. Bids by HUFs not mentioned correctly as provided in “- Bids by HUFs” on page 408;
8. Anchor Investors should not Bid through the ASBA process;
9. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centers;
10. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
11. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
12. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
13. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer / Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
14. Do not submit your Bid after 3.00 pm on the Bid / Offer Closing Date;
15. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid / Offer Closing Date;
16. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
17. If you are a UPI Bidders using UPI Mechanism, do not submit more than one Bid cum Application Form for each UPI ID;
18. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹ 5,00,000;
19. Do not submit the General Index Register (GIR) number instead of the PAN;
20. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

21. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
22. 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 Bidders can revise or withdraw their Bids until the Bid / Offer Closing Date;
23. 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;
24. 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 UPI Bidders using the UPI Mechanism;
25. 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;
26. 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);
27. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a UPI Bidder Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or mobile application and/or UPI handle that is not listed on the website of SEBI;
28. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
29. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
30. Do not submit the Bid cum Application Form to any non-SCSB Bank or our Company;
31. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism); and
32. Do not Bid if you are an OCB.

For helpline details of the Book Running Lead Managers pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “*General Information – Book Running Lead Managers*” on page 77.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

#### **Grounds for Technical Rejection**

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank(s));

6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. ASBA Form by the UPI Bidders by using third party bank accounts or using third party linked bank account UPI IDs;
10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Bids by RIBs with Bid Amount of a value of more than ₹200,000 (net of retail discount);
13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stock invest, money order, postal order or cash; and
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid / Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid / Offer Closing Date (other than UPI Bidders), and Bids by UPI Bidders uploaded after 5.00 p.m. on the Bid / Offer Closing Date, unless extended by the Stock Exchanges.

In case of any pre-Offer or post Offer related issues regarding demat credit / refund orders / unblocking, etc., investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Company Secretary and Compliance Officer and the Registrar, see “*General Information*” on page 75.

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, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, in case of delays in resolving investor grievances in relation to blocking / unblocking of funds.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the offer document.

The allotment of Equity Shares to Bidders other than to the Retail Individual Bidders, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to the availability of Equity Shares in Retail Individual Bidder category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 200,000 and up to ₹ 1,000,000, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants

with an application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares.

### **Payment into Escrow Account(s) for Anchor Investors**

The list of Anchor Investors to whom the Allotment Advice will be sent, shall be decided on a discretionary basis in accordance with applicable law and in consultation with the BRLMs, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

- (i) In case of resident Anchor Investors: “[●]”
- (ii) 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 Bankers to the Offer and the Registrar to the Offer to facilitate collections from Anchor Investors.

### **Allotment Advertisement**

Our Company, the BRLMs and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading 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 Punjabi daily newspaper [●] (Punjabi being the regional language of Punjab, where our Registered Office is located).

### **Depository Arrangements**

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated April 15, 2009, amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated March 2, 2009, amongst our Company, CDSL and Registrar to the Offer.

### **Undertaking by our Company**

Our Company undertakes the following:

- (i) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- (ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded / unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- (iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid / Offer Closing Date or such other time as may be prescribed;
- (iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- (v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within the time prescribed under applicable law, giving details

of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- (vi) that our Company may in consultation with the Selling Shareholders and BRLMs, not proceed with the Offer for any reason at any time prior to Allotment. In an event the withdrawal from the Offer is after the Bid / Offer Closing Date, the reason thereof shall be given as a public notice within two days of the Bid / Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- (vii) that if our Company in consultation with the Selling Shareholders and BRLMs, withdraws the Offer then, in the event our Company subsequently decides to proceed with the Offer thereafter, our Company shall be required to file a fresh draft offer document with SEBI;
- (viii) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and
- (ix) that no further issue of Equity Shares shall be made until the Equity Shares issued or offered through the Red Herring Prospectus are listed or until the Bid monies are refunded / unblocked in the ASBA Accounts on account of non-listing, under-subscription, etc.

#### **Undertakings by the Selling Shareholders**

The Selling Shareholders, severally and not jointly, undertake the following in respect of themselves as the Selling Shareholders, and the Offered Shares:

- (i) that the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and are in dematerialised form;
- (ii) that they are the legal and beneficial owner of, and have clear and marketable title to the Offered Shares;
- (iii) that they shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- (iv) that the Equity Shares being sold by them pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer and shall be transferred to the eligible investors within the time specified under applicable law;
- (v) that they shall provide all reasonable co-operation as requested by our Company in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of the Offered Shares;
- (vi) that it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the Share Escrow Agreement to be executed between the parties to such agreement;
- (vii) that they shall not have recourse to the proceeds of the Offer for Sale which shall be held in escrow in its favour, until final listing and trading approvals have been received from the Stock Exchanges; and
- (viii) that it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Offered Shares.

#### **Utilisation of Offer Proceeds**

The Selling Shareholders, severally and not jointly, and together with our Company declare that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

#### **Impersonation**



Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

***“Any person who –***

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1 million or one per cent 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 million or with both.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The government bodies responsible for granting foreign investment approvals under the FDI Policy and FEMA are the concerned ministries or departments of the Government of India and the RBI.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT, issued the consolidated FDI policy by way of circular bearing number DPIIT File Number 5(2)/2020-FDI Policy dated October 15, 2020 (“**FDI Policy**”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

On October 17, 2019, the Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Non-debt Instruments Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. These investment restrictions shall also apply to subscribers of offshore derivative instruments. 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 the Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Bid/Offer Period.

Pursuant to the FDI Policy, FDI of up to 100% is permitted under the automatic route in our Company.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and such 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 SEBI and RBI.

Pursuant to special resolution dated September 8, 2023 passed by our shareholders, the aggregate investment limit by NRIs and OCIs was increased from 10% to 24% of the paid-up equity share capital of our Company, provided however, that the shareholding of each NRI or OCI shall not exceed 5% of the total paid-up equity capital of our Company on a fully diluted basis or such other limit as may be stipulated by RBI in each case, from time to time and the total holdings of all NRIs and OCIs put together shall not exceed 24% of the total paid-up equity capital on a fully diluted basis.

As per the existing policy of the Government, OCBs cannot participate in the Offer. For further details, see “*Offer Procedure*” beginning on page 402.

**The Equity Shares issued in the Offer have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.**

**Accordingly, the Equity Shares are being offered and sold outside the United States in ‘offshore transactions’ in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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 IX – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

### THE COMPANIES ACT, 2013 (COMPANY LIMITED BY SHARES)

#### Part A

The Articles of Association of Agilus Diagnostics Limited (“**Company**”), which have been adopted by our Board of Directors pursuant to a resolution dated August 4, 2023 and approved by the Shareholders pursuant to a special resolution dated September 8, 2023, comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the filing of the draft red herring prospectus of the Company (“**DRHP**”) prepared in connection with the proposed initial public offering of its Equity Shares (“**IPO**”) with the Securities and Exchange Board of India (“**SEBI**”). In case of any inconsistency between Part A and Part B, the provisions of Part B shall prevail except for the Articles 81 to 91 of Part B.

Part B shall automatically cease to have any force and effect from the date of filing of the DRHP with SEBI without any further action by the Company or by the Shareholders and Part A shall continue to be in effect. Part B shall terminate upon filing of the red herring prospectus in relation to the IPO, with the Registrar of Companies, without any further action by the Company or by the Shareholders.

However, Part A shall automatically terminate and cease to have any force and effect from, and upon the earlier of the following dates: (a) such date falling on the date of completion of 12 months from the date of receipt of final observations on the DRHP by SEBI, and if the IPO is not completed by such date; or (b) the date on which the IPO is withdrawn, subject to applicable laws and Part B will become operative and come into effect, without any further action by the Company or by the Shareholders.

#### 1. **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 from time to time, shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles.

### I. **DEFINITIONS AND INTERPRETATIONS**

#### 2. **In these Articles:**

- 2.1. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof in force at the date at which the Articles become binding on the Company. In these Articles, all capitalized items not defined herein below shall have the meanings assigned to them in the other parts of these Articles when defined for use.

"**Act**" means the Companies Act, 2013 or any amendments, statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable;

"**Alternate Director**" shall have the meaning ascribed to such term in Article 125;

"**Articles**" shall mean the articles of association of the Company as amended from time to time

"**Auditors**" means independent, statutory auditors of the Company;

"**Board of Directors**" or "**Board**" shall mean the board of directors of the Company, as constituted from time to time;

"**Company**" shall mean Agilus Diagnostics Limited;

"**Depositories Act**" means the Depositories Act, 1996 or any statutory modification or re-enactment thereof for the time being in force.

“**Director**” means a director for the time being of the Company and includes any person appointed as a director of the Company in accordance with these Articles and the provisions of the Act, from time to time;

“**Equity Share Capital**” means in relation to the Company, its equity share capital within the meaning of Section 43 of the Act;

"**Equity Shares**" shall mean the equity shares of the Company having a face value of such amount as specified in Clause V of the Memorandum of Association;

“**General Meeting(s)**” shall mean any duly convened meeting of the Shareholders of the Company and includes an extra-ordinary general meeting;

"**Governmental Authority**" means any governmental, regulatory or statutory authority, government department, agency, commission, board, tribunal or court or other entity authorized to make Laws, rules or regulations or pass directions, orders or awards, having or purporting to have jurisdiction or any state or other subdivision thereof or any municipality, district or other subdivision thereof having jurisdiction pursuant to applicable Laws;

"**Key Managerial Personnel**" in relation to the Company, means collectively, the chief executive officer/managing director/manager, the company secretary, the whole-time directors, the chief financial officer, such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board and such other officer as maybe prescribed and declared by the Company to be a key managerial personnel;

"**Law**" shall mean:

- (i) in relation to the Persons domiciled or incorporated in India, all applicable statutes, enactments, acts of legislature or Parliament, Laws, ordinances, rules, by-Laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority, various governmental agencies, statutory and/or regulatory authorities or any stock exchange(s) in India or in any jurisdiction but applicable to such Persons domiciled or incorporated in India; and
- (ii) in relation to Persons domiciled or incorporated overseas, all applicable statutes, enactments, acts of legislature, Laws, ordinances, rules, by-Laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority, various governmental agencies, statutory and/or regulatory authorities or any stock exchange(s) of the relevant jurisdiction of such Persons;

"**Lien**" means any mortgage, pledge, charge, assignment, hypothecation, security interest, title retention, preferential right, option (including call commitment), trust arrangement, any voting rights, right of set-off, counterclaim or banker's lien, privilege or priority of any kind having the effect of security, any designation of loss payees or beneficiaries or any similar arrangement under or with respect to any insurance policy;

“**Member**” means a member of the Company within the meaning of Clause (55) of Section 2 of the Act, as amended from time to time;

"**Memorandum of Association**" shall mean the memorandum of association of the Company, (as from time to time amended, modified or supplemented);

“**Original Director**” shall have the meaning ascribed to such term in Article 126;

"**Person**" shall mean any natural person, limited or unlimited liability company, body corporate or corporation, limited liability partnership, partnership (whether limited or unlimited), proprietorship, voluntary association, joint venture, unincorporated organization Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that whether acting in an individual, fiduciary or other capacity may be treated as a person under applicable Law;

“**Preference Share Capital**” means in relation to the Company, its preference share capital within the meaning of Section 43 of the Act, as amended from time to time;

“**Shares**” means a share in the Share Capital of the Company and includes stock.

"**Shareholder(s)**" shall mean such Person(s) who are holding Share(s) in the Company at any given time;

"**Share Capital**" means Equity Share Capital and Preference Share Capital;

- 2.2. The terms "writing" or "written" include printing, typewriting, lithography, photography and any other mode or modes (including electronic mode) of representing or reproducing words in a legible and non-transitory form.
- 2.3. The headings hereto shall not affect the construction hereof.
- 2.4. Notwithstanding anything contained in these Articles, any reference to a "person" in these Articles shall, unless the context otherwise requires, be construed to include a reference to a body corporate or an association, any individual, sole proprietorship, unlimited or limited liability company, partnership, joint venture, firm, trust joint venture, government (or agency or political subdivision thereof) Hindu undivided family, union, organization or body of individuals (whether incorporated or not). A reference to any person in these Articles shall, where the context permits, include such person's executors, administrators, heirs, legal representatives and permitted successors and assigns.
- 2.5. Any reference to a particular statute or provisions of the statute shall be construed to include reference to any rules, regulations or other subordinate legislation made under the statute and shall, unless the context otherwise requires, include any statutory amendment, modification or re-enactment thereof.
- 2.6. Words importing the masculine gender shall include the feminine gender and vice versa.
- 2.7. Words importing the singular shall include the plural, and vice versa.
- 2.8. Any reference to an agreement or other document shall be construed to mean a reference to the agreement or other document, as amended or novated from time to time.

## **II. PUBLIC COMPANY**

3. The Company is a public company as defined in clause (71) of Section 2 of the Act.

## **III. SHARE CAPITAL AND VARIATION OF RIGHTS**

4. The authorized Share Capital of the Company shall be as per Clause V of the Memorandum of Association with the power to increase or reduce or re-classify such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the Shares in the Share Capital for the time being into Equity Share Capital and Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.
5. Subject to the provisions of the Act and these Articles, the Shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par or subject to the compliance with Section 53 of the Act, at a discount as they may, from time to time think fit and proper and with the sanction of the Company in the General Meeting. The Company may give to any Person or Persons the option or right to call for any Shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may also issue and allot Shares in the capital of the Company on payment in full or part payment of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may be so allotted may be issued as fully paid up Shares and if so issued shall be deemed to be fully paid up Shares, provided that the option or right to call of Shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.
6. A further issue of Shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act. Save as otherwise provided herein, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction, or as by Law required, be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other Person.

7. The Company may issue the following kinds of Shares in accordance with these Articles, the Act and other applicable Laws:
  - (i) Equity Share Capital:
    - (a) with voting rights; and / or
    - (b) with differential rights as to dividend, voting or otherwise; and
  - (ii) Preference Share Capital
8. Further, the Board shall be entitled to issue, from time to time, subject to applicable Law, any other securities, including securities convertible into shares, exchangeable into shares, or carrying a warrant, with or without any attached securities, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue.
9. Except as otherwise provided by the conditions of issue of the Shares or by these Articles, any capital raised by creation of new Shares shall be considered as part of the existing Share Capital and shall be subject to the provisions of these Articles and the Act with reference to payment of calls and instalments, transfer, transmission, forfeiture, lien, surrender, voting rights and otherwise.
10. Subject to the provisions of Section 55 of the Act, any Preference Shares may be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, by special resolution determine.
11. Subject to the provisions of the Act and these Articles, the Company shall have the power to issue Preference Share Capital carrying a right of redemption out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of such redemption or liable to be redeemed at the option of the Company, and the Board may, subject to the provisions of the Act, exercise such power in such manner as it may think fit. The period of redemption of such Preference Shares shall not exceed the maximum period for redemption provided under Section 55 of the Act.
12. If at any time the Share Capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that class. To every such separate General Meeting of the holders of the Shares of that class, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply.
13. 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.
14. 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.
15. 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.
16. 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.

#### **IV. BUY-BACK OF SHARES**

17. Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68 to 70 of the Act and other applicable provisions of the Law, the Company shall have the power to buy-back its own Shares or other securities, as it may consider necessary.

#### **V. FURTHER ISSUE OF SHARES**

18. (1) Where at any time, it is proposed to increase the subscribed Share Capital of the Company by allotment of further Shares either out of the unissued or out of the increased Share capital then such Shares shall be offered –
- (a) to the persons who, on the date specified under applicable law, are holders of the Equity Shares of the Company, in proportion, as near as circumstances admit, to the paid-up Share capital on those Shares by sending a letter of offer subject to the following conditions, namely:
    - (i) the offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than fifteen (15) days or such lesser number of days as may be prescribed and not exceeding thirty (30) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
    - (ii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) hereof shall contain a statement of this right;
    - (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to Shareholders and the Company.
  - (b) to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as prescribed in the Act; or
  - (c) to any persons, if its authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) either for cash or for a consideration other than cash, subject to compliance with applicable Law.
- (2) The notice referred to in sub-clause (i) of clause (a) of sub-article (1) 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 issue. Nothing in such notice shall be deemed:
- (a) To extend the time within which the offer should be accepted; or
  - (b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (3) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company (whether such option is conferred in these Articles or otherwise);

Provided that the terms of issue of such debentures or the terms of such loans containing such option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting.



- (4) Notwithstanding anything contained in sub-clause (3) above, where any debentures have been issued or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the company and the Government pass such order as it deems fit.

- (5) In determining the terms and conditions of conversion under sub-clause (4), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.
- (6) Where the Government has, by an order made under sub-clause (4), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the Tribunal under sub-clause (4) or where such appeal has been dismissed, the Memorandum of Association of the Company shall, where such order has the effect of increasing the authorized Share Capital of the Company, be altered and the authorized share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

## **VI. COMMISSION**

19. The Company may exercise the powers of paying commissions conferred by sub-Section (6) of Section 40 or the Act, 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.
20. The rate or amount of the commission shall not exceed the rate or amount prescribed under the rules made under sub-section (6) of Section 40 of the Act.
21. 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.

## **VII. SHARES AND SHARE CERTIFICATES**

22. The Company shall cause to be kept a register of Members in accordance with Section 88 of the Act. The Company shall be entitled to maintain in any country outside India a "foreign register" of Members or debenture holders resident in that country.
23. Subject to applicable Law, 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:
- (i) one (1) or more certificates in marketable lots for all the Shares of each class or denomination registered in his name, without payment of any charge; or
  - (ii) several certificates, if the Board so approves (upon paying such fee as the Board so determines, subject to a maximum of twenty rupees), each for one (1) or more of such Shares, and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within 1 (one) month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be.
24. Every certificate shall be under the seal, if any, of the Company, and shall specify the number and distinctive numbers of the Shares to which it relates and the amount paid-up thereon, and shall be signed by two Directors or one Director and the company secretary and shall be in such form as prescribed under sub-section (3) of Section 46 of the Act.

25. In respect of any Share or Shares held jointly by several persons, the Company shall not be bound to issue more than 1 (one) certificate, and delivery of a certificate for a Share to 1 (one) or several joint holders shall be sufficient delivery to all such holders. Subject to the provisions of the Act, any Member of the Company shall have the right to sub-divide, split or consolidate the total number of Shares held by them in any manner and to request the Company to provide certificate(s) evidencing such sub-division, split or consolidation.
26. If any share 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 Board 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 without payment of fees if the Board so decides, or on payment of such fees (not exceeding INR 50 (Rupees fifty) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares. Notwithstanding the foregoing provisions of this Article, the Board shall comply with applicable Law including the rules or regulations or requirements of any stock exchange, or the rules made under the Securities Contracts (Regulation) Act, 1956, or any statutory modification or re-enactment thereof, for the time being in force.
27. Subject to the provisions of the Act, the provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures of the Company.
28. 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 meetings of the Company, 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 the Company's Articles.
29. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
30. Subject to the provisions of Section 89 of the Act, a Person whose name is entered in the register of Members of the Company as the holder of the Shares but who does not hold the beneficial interest in such Shares shall file with the Company, a declaration to that effect in the form prescribed under the Act and the Company shall make necessary filings with the Registrar as may be required, within a prescribed period as set out in the Act and the rules framed thereunder

#### **VIII. CALLS ON SHARES**

31. Subject to the provisions of the Act, the Board may, from time to time, make such calls as it thinks fit 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 1 (one) month from the date fixed for the payment of the last preceding call.
32. 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.
33. A call may be revoked or postponed at the discretion of the Board.
34. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

35. The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
36. 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.
37. The Board shall be at liberty to waive payment of any such interest wholly or in part.
38. 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.
39. The Board may, if it thinks fit, subject to the provisions of Section 50 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate as determined by the Board and the Member paying such sum in advance agree upon not exceeding 12 (twelve) percent per annum, unless the company in general meeting shall direct otherwise, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall *mutatis mutandis* apply to any calls on debentures of the Company.
40. Where any calls for further Share Capital are made on the Shares of a class, such calls shall be made on a uniform basis on all Shares falling under that class. For the purposes of this Article, Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

#### **IX. DEMATERIALIZATION OF SHARES**

41. Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialize its Shares, debentures and other securities and offer such Shares, debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the regulations made thereunder.
42. Notwithstanding anything contained in the Articles, and subject to the provisions of the Law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialize the Shares, which are in dematerialized form as per the provisions of the Act.
43. Every Person subscribing to the Shares offered by the Company shall have the option to receive Share certificates or to hold the Shares with a depository. Where Person opts to hold any Share with the depository, the Company shall intimate such depository of details of allotment of the Shares to enable the depository to enter in its records the name of such Person as the beneficial owner of such Shares. Such a Person who is the beneficial owner of the Shares can at any time opt out of a depository, if permitted by the Law, in respect of any Shares in the manner provided by the Depositories Act, 1996 and the regulations made thereunder and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of Shares. In the case of transfer of Shares or other marketable securities where the Company has not issued any certificates and where such Shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.
44. If a Person opts to hold his Shares with a depository, the Company shall intimate such depository the details of allotment of the Shares, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Shares.
45. All Shares held by a depository shall be dematerialized and shall be in a fungible form.

- (a) Notwithstanding anything to the contrary contained in the Act or the Articles, a depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of Shares on behalf of the beneficial owner.
  - (b) Save as otherwise provided in (a) above, the depository as the registered owner of the Shares shall not have any voting rights or any other rights in respect of Shares held by it.
46. Every person holding Shares of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be the owner of such Shares and shall also be deemed to be a Shareholder of the Company. The beneficial owner of the Shares shall be entitled to all the liabilities in respect of his Shares which are held by a depository. The Company shall be further entitled to maintain a register of Members with the details of Members holding Shares both in physical and dematerialized form in any medium as permitted by Law including any form of electronic medium.
47. Notwithstanding anything in the Act or the Articles to the contrary, where Shares are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by Law from time to time.
48. Nothing contained in the Act or the Articles regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

## X. LIEN

49. The Company shall have a first and paramount Lien on: (a) every Share or debenture (not being a fully paid-up Share or debenture) registered in the name of each Member or holder, respectively (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 monies (whether presently payable or not) called, or payable at a fixed time, in respect of such Share or debenture; and (b) on all Shares or debentures (not being fully paid Shares or debentures) standing registered in the name of a single Person, for all monies presently payable by him or his estate to the Company; and no equitable interest in any Share or debenture shall be created except upon the footing and condition that this Article will have full effect. Fully paid-up Shares shall be free from all Liens and in case of partly paid-up Shares, the Company's Lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.
- Provided that the Board may at any time declare any Shares or debentures wholly or in part to be exempt from the provisions of this Article.
50. The Company's Lien, if any, on a Share shall extend to all dividends and bonuses declared and payable by the Company from time to time in respect of such Shares.
51. The Company's Lien, if any, on a debenture shall extend to the interest payable from time to time in respect of such debentures.
52. Subject to the provisions of the Act, the Company may sell, in such manner as the Board thinks fit, any Shares or debenture on which the Company has a Lien, provided that no sale shall be made:
- (a) unless a sum in respect of which the Lien exists is presently payable;
  - (b) 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 Member or holder for the time being of the Share or debenture, or the Person entitled thereto by reason of his death or insolvency or otherwise.
53. Unless otherwise agreed, the registration of a transfer of Shares or debentures shall operate as a waiver of the Company's Lien, if any, on such Shares or debentures.
54. The following shall apply to any sale of Shares referred to in Article 52 above:
- (a) The Board may authorise some person to transfer the Shares or debentures sold to the purchaser thereof;

- (b) The purchaser shall be registered as the holder of the Shares or debentures that are the subject of any such transfer;
  - (c) 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;
  - (d) 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;
  - (e) The residue, if any, shall, subject to a like Lien for sums not presently payable as existed upon the Shares or debentures before the sale, be paid to the person entitled to the Shares or debentures at the date of the sale.
55. 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.

## **XI. TRANSFER OF SHARES**

56. 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 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.
57. Subject to the provisions of the Act, these Articles and any other applicable Law for the time being in force, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of Shares, not being a fully paid share, to a Person of whom they do not approve, and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within 30 (thirty) days from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration or transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused. In case of transfer of Shares, where the Company has not issued any certificates and where the Shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.
58. The Board may decline to recognize any instrument of transfer unless—
- 58.1. the instrument of transfer is in the form as prescribed in rules made under sub-Section (1) of Section 56 of the Act;
  - 58.2. 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
  - 58.3. the instrument of transfer is in respect of only one class of Shares.
- Provided that the registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever.
59. On giving not less than 7 (seven) days previous notice in accordance with the Act or any other time period as may be specified by Law, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, provided that such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty five) days in the aggregate in any year.
60. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

## **XII. TRANSMISSION OF SHARES**

61. 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 these Articles 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.
62. 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:
- (a) to be registered as holder of the Share; or
  - (b) to make such transfer of the Share as the deceased or insolvent Member could have made.
63. 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.
64. If the person so becoming entitled shall elect to be registered as holder of the Shares, such person shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
65. If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing an instrument of transfer in accordance with the provisions of these Articles relating to transfer of Shares.
66. All the limitations, restrictions and provisions contained in these Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.
67. 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.

## **XIII. FORFEITURE OF SHARES**

68. 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.
69. The notice issued under Article 68 shall:
- (a) 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
  - (b) 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.
70. If the requirement 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.
71. A forfeited Share may be sold or otherwise disposed off on such terms and in such manner as the Board thinks fit.

72. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
73. 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.
74. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.
75. A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Share.
76. The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the Person to whom the Share is sold or otherwise disposed off.
77. The transferee shall there upon be registered as the holder of the Share.
78. The transferee shall not be bound to ascertain or confirm the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity to invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.
79. The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, become payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as the same had been payable by virtue of a call duly made and notified.

#### **XIV. ALTERATION OF SHARE CAPITAL**

80. Subject to these Articles and the provisions of Section 61 of the Act, the Company may, from time to time, by ordinary resolution, increase the Share Capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution.
81. Subject to the provisions of the Act, the Company may from time to time by ordinary resolution, undertake any of the following:
- (a) consolidate or divide, all or any of the Share Capital into Shares of larger or smaller amount than its existing Shares;
  - (b) convert all or any of its fully paid-up Shares into stock, and re-convert that stock into fully paid-up Shares of any denomination;
  - (c) sub-divide its existing Shares or any number of them into Shares of smaller amount than is fixed by the Memorandum of Association of the Company, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived; or
  - (d) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of Share Capital by the amount of the Shares so cancelled. A cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.
82. 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:
- (a) the Share Capital;
  - (b) any capital redemption reserve account; or
  - (c) any Share premium account.

## XV. CONVERSION OF SHARES INTO STOCK

83. Where Shares are converted into stock:
- (a) the holders of stock may transfer the same or any part thereof in the same manner as and subject to the same Article under which, the Shares from which the stock arose might before the conversion have been transferred, or as near there to as circumstances admit, *provided that* the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which the stock arose;
  - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of the stock which would not, if existing in Shares, have conferred that privilege or advantage; and
  - (c) such of the Articles, as are applicable to paid-up Shares shall apply to stock and the words “*Share*”, “*Shareholder*” and “*Member*” in those Articles shall include “*stock*” and “*stock holder*” respectively.

## XVI. GENERAL MEETINGS

84. An annual General Meeting shall be held each calendar year within the timeline prescribed under Applicable 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, 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 situated, as the Board may determine.
85. All General Meetings, other than the Annual General Meeting, shall be Extra-ordinary General Meetings.
86. The Board may, whenever it thinks fit, call an extraordinary general meeting.
87. 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.
88. 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, in writing or by electronic mode, is accorded thereto—
- (i) in the case of an annual general meeting, by not less than ninety-five per cent. of the Members entitled to vote thereat; and
  - (ii) in the case of any other general meeting, by Members of the Company holding, majority in number of Members entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the Company as gives a right to vote at the meeting;

Provided further that where any Member of the Company is entitled to vote only on some resolution or resolutions to be moved at a General Meeting and not on the others, those Members shall be taken into account for the abovementioned purposes, in respect of the former resolution or resolutions and not in respect of the latter.

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.



## **XVII. PROCEEDINGS AT GENERAL MEETINGS**

89. 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. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.
90. Notwithstanding anything contained elsewhere in these Articles, the Company:
- (a) shall, in respect of such items of business as the Central Government may, by notification, declare or which are under any other applicable Law required to be transacted only by means of postal ballot; and
  - (b) may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be prescribed, instead of transacting such business at a General Meeting and any resolution approved by the requisite majority of the Shareholders by means of such postal ballot, shall be deemed to have been duly passed at a General Meeting convened in that behalf and shall have effect accordingly.
- Provided that any item of business required to be transacted by means of postal ballot under clause (a) above, may be transacted at a General Meeting by the Company which is required to provide the facility to Members to vote by electronic means under Section 108 of the Act, in the manner provided in that Section.
91. Directors may attend and speak at General Meetings, whether or not they are Shareholders.
92. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.
93. The chairperson, if any, of the Board shall preside as chairperson at every General Meeting of the Company. If there is no such chairperson or if he is not present within 15 (fifteen) minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Directors present shall choose one of the Directors present to be chairperson of the meeting.
94. If at any General Meeting no Director is willing to act as chairperson or if no Director is present within 15 (fifteen) minutes after the time appointed for holding the General Meeting, the Members present shall choose one of the Members to be chairperson of such General Meeting.
95. The chairperson may, with the consent of Members at any General Meeting at which a quorum is present, and shall, if so directed by the General Meeting, adjourn the General Meeting from time to time and from place to place.
96. 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, provided that the agenda for such adjourned General Meeting shall remain the same. The said General Meeting if called by requisitionists under Article 87 herein read with Section 100 of the Act shall stand cancelled.
97. In case of an adjourned meeting or of a change of day, time or place of meeting, the Company shall give not less than 3 (three) days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.
98. No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place.
99. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
100. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned General Meeting.

101. The required quorum at any adjourned General Meeting shall be the same as that required at the original General Meeting.
102. If at the adjourned meeting too, a quorum is not present within 30 (thirty) minutes from the time appointed for holding such meeting, the Members present shall be the quorum and may transact the business for which the meeting was called.
103. Any act or resolution which, under the provision of these Articles or of the Act, is permitted shall be sufficiently so done or passed if effected by an ordinary resolution unless either the Act or these Articles specifically require such act to be done or such resolution passed by a special resolution or by a unanimous approval of all the Members.

#### **XVIII. VOTING RIGHTS**

104. Subject to any rights or restrictions for the time being attached to any class or classes of Shares:
  - (a) on a show of hands, every Member present in person shall have 1 (one) vote; and
  - (b) on a poll, the voting rights of Members shall be in proportion to their share in the paid-up Equity Share Capital.
105. In the case of an equality of votes at any General Meeting the Chairman shall, both on a show of hands, on a poll (if any) and e-voting (if applicable), have casting vote in addition to the vote or votes to which he may be entitled as a member.
106. 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 INR 500,000 (Rupees five lakh) or such higher amount as may be prescribed under applicable Law has been paid up.
107. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
108. A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once. The Company shall also provide E-voting facility to the Shareholders of the Company in terms of the provisions of Act and the Companies (Management and Administration) Rules, 2014 or any other Law, if applicable to the Company.
109. In case of joint holders, the vote of the senior who tenders a vote, whether in person or proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names are stated in the register of Members of the Company.
110. 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.
111. 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.
112. No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting and whether given personally or by proxy or otherwise shall be deemed valid for all purpose.
113. Any such objection made in due time shall be referred to the chairperson of the General Meeting whose decision shall be final and conclusive.

## **XIX. PROXY**

114. 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.
115. The proxy shall not be entitled to vote except on a poll.
116. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 (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.
117. An instrument appointing a proxy shall be in the form as prescribed under the Act and the rules framed thereunder.
118. 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.

## **XX. BOARD OF DIRECTORS**

119. 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. The Company shall have such minimum number of independent Directors on the Board of the Company, as may be required in terms of the provisions of applicable Laws and regulations. Further, the appointment of such independent Directors shall be in terms of, and subject to, the aforesaid provisions of applicable Law.
120. Subject to the provisions of the Act, the Board shall have the power to determine the Directors whose period of office is or is not liable to determination by retirement of directors by rotation.
- (a) At every annual General Meeting of the Company, one-third of such of the Directors (that does not include independent Directors, whether appointed under the Act or any other Law for the time being in force, on the Board of the Company) for the time being as are liable to retire by rotation pursuant to applicable Law or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.
- (b) Subject to Section 152(6)(d) of the Act, the Directors to retire by rotation at every annual General Meeting shall be those who have been longest in office since their last appointment, but as between Persons who become Directors on the same day, those who are to retire, shall, in default of and subject to any agreement amount themselves, be determined by lot.
- (c) A retiring Director shall be eligible for re-election.
- (d) Subject to Sections 152(6)(e) and 152(7)(a) of the Act and these Articles, the Company at the General Meeting at which a Director retires in a manner aforesaid may fill up the vacated office by electing a Person thereto.
- (e) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.
- (f) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, then the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-

- (i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
  - (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;
  - (iii) he is not qualified or is disqualified for appointment; or
  - (iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.
121. Subject to Section 197 and other applicable provisions of the Act, the remuneration of Directors may be a fixed sum by way of monthly payment or a percentage of the net profits or partly by one way and partly by the other.
122. Subject to the provisions of the Act, every Director shall be paid out of the funds of the Company such sum as the Board may from time to time determine for attending every meeting of the Board or any committee of the Board, subject to the ceiling prescribed under the Act.
123. In addition to the remuneration payable to them in pursuance of the Act, the Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meeting of the Board or any committee thereof or General Meetings of the Company and any other expenses properly incurred by them in connection with the business of the Company. If authorized by the Board, the Directors may also be remunerated for any extra services done by them outside their ordinary duties as Directors, subject to the applicable provisions of the Act.
124. A Director shall not be required to hold any qualification shares in the Company.
125. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint any other person as an additional director provided that the number of the Directors and additional Directors together shall not at any time exceed the maximum number fixed as above and any person so appointed as an additional Director shall retain his office only up to the date of the next annual General Meeting or last date on which the annual General Meeting should have been held, whichever is earlier, but shall then be eligible for re-appointment as Director of the Company.
126. In the event that a Director is absent for a continuous period of not less than 3 (three) months from India (an “**Original Director**”), subject to these Articles and the provisions of the Act, the Board may appoint another person (an “**Alternate Director**”) for and in place of the Original Director. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director’s absence. No Person shall be appointed as an Alternate Director to an independent Director unless such Person is qualified to be appointed as an independent Director of the Company. Any person so appointed as Alternate Director shall not hold office for a period longer than that permissible to the Original Director and shall vacate the office if and when the Original Director returns to India
127. The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of the Act or the rules framed thereunder. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing addressed to the Board 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. Subject to the Act, 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. The Company may, subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles remove any Director before the expiry of his period of office.
128. At any annual General Meeting at which a Director retires, the Company may fill up the vacancy by appointing the retiring Director who is eligible for re-election or some other person if a notice for the said purpose has been left at the office of the Company in accordance with the provisions of the Act.

129. No Person shall be appointed as a Director unless he furnishes to the Company his Director Identification Number under Section 154 of the Act or any other number as may be prescribed under Section 153 of the Act and a declaration that he is not disqualified to become a Director under the Act.
130. No Person appointed as a Director shall act as a Director unless he gives his consent to hold the office as a Director and such consent has been filed with the Registrar within 30 (thirty) days of his appointment in the manner prescribed in the Act.
131. If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by Members in the immediate next General Meeting. Provided any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.
132. 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 such 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.

#### **XXI. PROCEEDINGS OF THE BOARD**

133. The Board may meet for the conduct of business and may adjourn and otherwise regulate its meetings, as it thinks fit.
134. A Director may and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.
135. A minimum number of 4 (four) Board meetings shall be held every year in such a manner that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board, in accordance with the provisions of the Act.
136. Subject to the provisions of the Act and the rules framed thereunder, all or any of the Directors or members of any committee of the Board may participate in a meeting of the Directors or such committee through video conferencing or other audio visual means.
137. No business shall be conducted at any meeting of the Directors unless a quorum is present. The quorum for the meeting of the Board shall be one third of its total strength or 2 (two) Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio-visual means or any other means (to the extent permitted under the Act and the rules framed thereunder or otherwise provided by the Ministry of Corporate Affairs), in each case from time to time, shall also be counted for the purposes of quorum under this Article, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 2 (two), shall be the quorum during such time.
138. 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.
139. The continuing Directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.

140. Subject to the provisions of the Act and the rules framed thereunder allowing for shorter notice periods, a meeting of the Board shall be convened by giving not less than 7 (seven) days' notice in writing to every Director. Each notice of a Board meeting shall:
- (a) specify a reasonably detailed agenda. Unless waived in writing by all Directors, any item not included in the agenda of a meeting shall not be considered or voted upon at that meeting of the Board;
  - (b) be accompanied by any relevant supporting papers; and
  - (c) be sent by: (i) courier if sent to an address in India; (ii) by e-mail or facsimile transmission if sent to an address outside India; or by hand delivery.
141. Save as otherwise expressly provided in the Act or these Articles, questions arising at any meeting of the Board shall be decided by a majority of votes.
142. The Directors may from time to time elect a Chairperson who shall preside at the meetings of the Directors and determine the period for which he is to hold office. The same individual may be appointed as the chairperson of the Company as well as the managing Director and/or the chief executive officer of the Company. If no such chairperson is elected, or if at any meeting the chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be the chairperson of the meeting.
143. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
144. Subject to these Articles and Sections 175, 179 and other applicable provisions of the Act, a circular resolution in writing, executed by or on behalf of a majority of the Directors or members of a committee, shall constitute a valid decision of the Board or committee thereof, as the case may be, as if it had been passed at a meeting of the Board or committee, duly convened and held, provided that a draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, was sent to all of the Directors or members of the committee (as the case may be) at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed under the Act, and has been approved by a majority of the Directors or members who are entitled to vote on the resolution.
145. The Board shall constitute the statutory committees in accordance with applicable Law. Subject to provisions of the Act, the Board may delegate any of its powers to committees consisting of such Director or Directors as it thinks fit.
146. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
147. Subject to applicable Law and these Articles, a committee may elect a chairperson of its meetings.
148. If no such chairperson is elected, or if at any meeting the chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of themselves to be the chairperson of the meeting.
149. A committee may meet and adjourn as it thinks fit.
150. Questions arising at any meeting of a committee shall be determined by a majority of votes of the Directors present. In case of an equality of votes, the chairperson of the committee, if any, shall have second or casting vote.
151. Every Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then the first meeting held after such change, disclose his concern or interest in any company, companies or bodies corporate, firms or other associations of individuals which shall include the shareholding in such manner as may be prescribed under the Act and the rules framed thereunder.

152. Subject to the provisions of the Act, no Director shall be disqualified by his office from contracting with the Company nor shall any such contract entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director contracting or being so interested be liable to account to the Company for any profit realized by any such contract by reason only of such Director holding that office or of the fiduciary relations thereby established provided that every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board and shall not participate in such meeting as required under Section 184 and other applicable provisions of the Act, and his presence shall not count for the purposes of forming a quorum at the time of such discussion or vote.
153. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.
154. Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
155. Minutes of each meeting of the Board shall be circulated to all Directors.

## **XXII. POWERS OF DIRECTORS**

156. The business of the Company shall be vested in the Board of Directors and the Board shall be responsible for the overall direction and management of the Company. Subject to the provisions of the Act, the Board shall have the right to delegate any of their powers to such committee of Directors, managing director, managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers.
157. 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 of the Company 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.
158. The Board of Directors shall, or shall authorize persons in their behalf, to make necessary filings with Governmental Authorities in accordance with the Act and other applicable Law, as may be required from time to time.
159. The Directors shall have the power to open and close bank accounts and operate the same generally, to sign cheques on behalf of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies and bills or may authorize any other person or persons to exercise such powers.

## **XXIII. MANAGING/WHOLE-TIME DIRECTORS AND KEY MANAGERIAL PERSONNEL**

160. Subject to the provisions of the Act, the Board may from time to time appoint one or more Directors to be the managing Director/ whole-time Director of the Company on such remuneration and terms and conditions as the Board may think fit, and for a fixed term or without any limitation as to the period for which he is to hold such office and from time to time and subject to the provisions of any contract between him and the Company, remove or dismiss him from office and appoint another in his place. Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Section 179 thereof, the Board may, from time to time, entrust to and confer upon the managing Director / whole-time Director, for the time being, such of the powers exercisable hereunder by the Board, as it may think fit, and may confer such powers, for such time and be exercised for such objects and purposes, and upon such terms and

conditions and with such restrictions as it thinks fit, and the Board may confer such power, either collaterally with or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

161. Subject to the provisions of any contract between him and the Company, the managing Director/ whole-time director, shall be subject to the same provisions as to resignation and removal as the other Directors and shall ipso facto and immediately cease to be the managing Director if he ceases to hold the office of Director for any cause.
162. Subject to the provisions of the Act, the managing Director/whole-time Director shall, in addition to the remuneration payable to him as a Director of the Company, receive such remuneration as may be sanctioned by the Board from time to time and such remuneration may be fixed by way of salary or bonus or commission or participation in profit, or perquisites and benefits or by some or all of these modes.
163. Subject to the provisions of the Act, a chief executive officer, manager, company secretary or chief financial officer or any other key managerial personnel not more than one level below the Board and in the whole time employment of the Company and designated as a key managerial personnel may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary, chief financial officer or any other Key Managerial Personnel so appointed may be removed by means of a resolution of the Board.
164. A Director may be appointed as chief executive officer, manager, or chief financial officer.
165. Any provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and managing director, chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same Person acting both as Director and as, or in place of, managing director, chief executive officer, manager, company secretary or chief financial officer.

#### **XXIV. BORROWING POWERS**

166. 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.
167. 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 capital of the Company, its free reserves and securities premium.
168. Subject to the Act and the provisions of these Articles, any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Board, who may issue them upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company.

#### **XXV. DIVIDENDS AND RESERVES**

169. The Company may declare dividends as per the provisions of the Act, but no dividend shall exceed the amount recommended by the Board. No dividend shall be payable except out of the profits of the Company or any other undistributed profits.
170. Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the Members such dividends including interim dividends as appear to it to be justified by the profits of the Company.
171. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting



contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

172. No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of these Articles as paid on the Share.
173. All dividends shall be apportioned and paid proportionately to the amounts, paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Share shall rank for dividend accordingly.
174. 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.
175. Any dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of Members of the Company, or to such person and to such address as the holder or joint holders may in writing direct.
176. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent.
177. Any one of two or more joint holders of a Share may give effectual receipts for any dividends, bonuses or other payments in respect of such Share.
178. Notice of any dividend, whether interim or otherwise, that may have been declared shall be given to the Persons entitled to share therein in the manner mentioned in the Act.
179. No dividend shall bear interest against the Company.
180. Nothing herein shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid-up bonus Shares or paying up any amount for the time being unpaid on any Shares held by the Members of the Company.
181. The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company. Where the Company has declared a dividend but which has not been paid or claimed within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the 30 (thirty) day period, transfer the total amount of dividend which remains so unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account of Agilus Diagnostics Limited". 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 to the Investor Education and Protection Fund established under the Act. No unclaimed or unpaid dividend shall be forfeited by the Board before claim on such dividend becomes barred by applicable Law.

## **XXVI. CAPITALISATION OF PROFITS**

182. The Company in a General Meeting may, upon the recommendation of the Board, resolve:
  - (a) 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
  - (b) that such sum be accordingly set free for distribution in the manner specified in Article 183 amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
183. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in these Articles below, either in or towards:

- (a) paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
- (b) paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or
- (c) Partly in the way specified in sub-Article (a) and partly in that specified in sub-Article (b) above.
- (d) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares.
- (e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

184. Whenever such a resolution as aforesaid shall have been passed, the Board shall:

- (a) 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
- (b) generally, do all acts and things required to give effect thereto.

185. The Board shall have power to:

- (a) 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
- (b) 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.

186. Any agreement made under such authority shall be effective and binding on such Members.

#### **XXVII. INDEMNITY**

187. Subject to the provisions of the Act, every Chairperson/ Director, secretary and the other officers for the time being of the Company acting in relation to any of the affairs of the Company shall be indemnified out of the assets of the Company from and against all suits, proceedings, cost, charges, losses, damage and expenses which they or any of them shall or may incur or sustain by reason of any act done or committed in or about the execution of their duty in their respective office except such suits, proceedings, cost, charges, losses, damage and expenses, if any that they shall incur or sustain, by or through their own wilful neglect or default respectively.

188. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.

#### **XXVIII. ACCOUNTS**

189. Subject to the provisions of the Act, the Company shall keep at its registered office, proper books of accounts and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the Company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting, provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board may decide and when the Board so decides the Company shall, within 7 (seven) days of the decision file with the registrar a notice in writing giving the full address of that other place, provided further that the Company may keep such books of accounts or other relevant papers in electronic mode in such manner as provided in Section 128 of the Act and the rules framed thereunder.

190. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts or books or documents of the Company, or any of them, shall be open to inspection by the Members not being Directors subject to provisions of the Act and these Articles. 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. The Company shall provide such information relating to the business, affairs and financial position of the Company as any Director may reasonably require.
191. No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Law or authorised by the Board or by the Company in General Meeting.
192. The books of accounts of the Company relating to a period of not less than 8 (eight) years immediately preceding the current year together with the vouchers relevant to any entry in such books of account shall be preserved in good order.

#### **XXIX. AUDIT**

193. The statutory auditors of the company shall be appointed, their remuneration shall be fixed, rights, duties and liabilities shall be regulated and their qualifications and disqualifications shall be in accordance with the provisions of Sections 139 to 148 (both inclusive) of the Act.
194. The Directors may fill up any casual vacancy in the office of the auditors within 30 (thirty) days subject to the provisions of Sections 139 and 140 of the Act and the rules framed thereunder.
195. The remuneration of the auditors shall be fixed by the Company in the annual General Meeting or in such a manner as the Company in the annual General Meeting may determine except that, subject to the applicable provisions of the Act, remuneration of the first or any auditor appointed by the Directors may be fixed by the Directors.
196. The Company shall also appoint the internal auditor to conduct internal audit of the functions and activities of the Company in accordance with the provisions of the Act.

#### **XXX. SECRECY**

197. Subject to the provisions of the Act, no Member shall be entitled to visit or inspect any work of the Company without the permission of the Directors, managing directors or secretary or to require inspection of any books of accounts or documents of the Company or any discovery of any information or any detail of the Company's business or any other matter, which is or may be in the nature of a trade secret, mystery of secret process or which may relate to the conduct of the business of the Company and which in the opinion of the Directors or the managing Director will be inexpedient in the collective interests of the Members of the Company to communicate to the public or any Member.
198. Every Director, manager, secretary, auditor, trustee, member of committee, officer, servant, agent, accountant or other person employed in the business of the Company will be upon entering his duties pledging himself to observe strict secrecy in respect of all matters of the Company including all transaction with customers, state of accounts with individual and other matters relating thereto and to not reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a court of Law and except so far as may be necessary in order to comply with any of the provisions in these Articles and the provisions of the Act.
199. Post listing of the Equity Shares, at the request of any Shareholder, the Company shall provide to such Shareholder: (i) annual reports; (ii) annual, semi-annual, quarterly and other periodic financial statements and reports; (iii) any other interim or extraordinary reports; and (iv) prospectuses, registration statements, offering circulars, offering memoranda and other document relating to any offering of securities by the Company, provided, in each case, that (a) the Company has, prior to providing any Shareholder with such information, made such information available to the public; and (b) the Company is not prohibited under any applicable Law from providing such information to such Shareholder.

### **XXXI. WINDING UP**

200. The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).

### **XXXII. GENERAL AUTHORITY**

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.

## Part B

The Articles of Association of Agilus Diagnostics Limited (“**Company**”), which have been adopted by our Board of Directors pursuant to a resolution dated August 4, 2023 and approved by the Shareholders pursuant to a special resolution dated September 8, 2023, comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the filing of the draft red herring prospectus of the Company (“**DRHP**”) prepared in connection with the proposed initial public offering of its Equity Shares (“**IPO**”) with the Securities and Exchange Board of India (“**SEBI**”). In case of any inconsistency between Part A and Part B, the provisions of Part B shall prevail except for the Articles 81 to 91 of Part B.

Part B shall automatically cease to have any force and effect from the date of filing of the DRHP with SEBI without any further action by the Company or by the Shareholders and Part A shall continue to be in effect. Part B shall terminate upon filing of the red herring prospectus in relation to the IPO, with the Registrar of Companies, without any further action by the Company or by the Shareholders.

However, Part A shall automatically terminate and cease to have any force and effect from, and upon the earlier of the following dates: (a) such date falling on the date of completion of 12 months from the date of receipt of final observations on the DRHP by SEBI, and if the IPO is not completed by such date; or (b) the date on which the IPO is withdrawn, subject to applicable laws and Part B will become operative and come into effect, without any further action by the Company or by the Shareholders.

### 1. TABLE ‘F’ EXCLUDED

- |    |  |  |
|----|--|--|
| 1. | 1. The regulations contained in the Table marked ‘F’ in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.  | Table ‘F’ not to Apply                   |
| 2. | The regulations for the management of the Company and for the observance by 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 resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles. | Company to be governed by these Articles |

### 2. Interpretation

- |  |                            |  |
|--|----------------------------|--|
| 1. In these Articles —   |                            |  |
| “ <b>Acceptance Notice</b> ” shall have the meaning ascribed to it under Article 111.2.2;  | “Acceptance Notice”        |  |
| “ <b>Act</b> ” mean shall mean the (Indian) Companies Act 2013, as amended, modified, replaced or supplemented from time to time;  | “Act”                      |  |
| “ <b>Articles</b> ” means these articles of association of the Company or as altered from time to time   | “Articles”                 |  |
| “ <b>Accepting Offeree</b> ” shall have the meaning ascribed to it under Article 112.1 (c);  | "Accepting Offeree"        |  |
| “ <b>Accepting Offeree Shares</b> ” shall have the meaning ascribed to it under Article 112.1 (c);   | "Accepting Offeree Shares" |  |
| “ <b>Accounting Standards</b> ” shall mean the Indian generally accepted accounting principles promulgated by the Institute of Chartered Accountants of India, together with its pronouncements thereon from time to time, and applied on a consistent basis;  | "Accounting Standards"     |  |
| “ <b>Affiliate</b> ” means with respect to: (i) any Person, any other Person directly or indirectly Controlling, Controlled by or under common Control with, that Person; and (ii) a Person being a natural person, shall include Relatives of such Person. With respect to NJBIF, "Affiliate" shall also include NYLIM- | “Affiliate”                |  |

Jacob Ballas Asset Management Company III LLC, ("NYLIM-JB AMC"), a company incorporated under the laws of Mauritius with its registered office at IFS Court, Twenty Eight, Cyber City, Ebene, Mauritius and each of NJBIF's and NYLIM-JB AMC's respective investors and shareholders as well as (1) any fund, collective investment scheme, trust, partnership (including, without limitation, any co-investment partnership), special purpose or other vehicle or any subsidiary or affiliate of any of the foregoing, in which any of the Persons mentioned above is a general or limited partner, substantial shareholder (holding 10% or more of the total shares), investment manager or advisor, member of a management or investment committee, nominee, custodian or trustee; and (2) in the case of any entity included in Article (1) above, any partners, members, directors, officers, employees or substantial investors (having an interest of 10% (ten per cent) or more in such entity) (either directly or indirectly through any investment partnerships of entities of such entity) who are distributees of investments held by such entity pursuant to the bona fide liquidation of such entity in which securities held by such entity are distributed to such distributees, provided that, for the avoidance of doubt, an Indian company in which NJBIF, NYLIM-JB AMC or any other entity whose investments in India are managed by NYLIM-JB AMC have made a financial investment shall not be classified as an Affiliate of NJBIF;

**"Annual Budget"** means the annual financial budget of the Company consisting of the Company's projected profit and loss statement, projected cash flow statement and projected balance sheet and annual capital expenditure budget; "Annual Budget"

**"Applicable Law"** means all applicable statutes, laws, ordinances, rules and regulations, including but not limited to, any license, permit or other governmental Authorization, in each case as in effect from time to time; "Applicable Law"

**"Applicable S&E Law"** means all applicable statutes, laws, ordinances, rules and regulations of the Country, including, without limitation, all Authorizations setting standards concerning environmental, social, labor, health and safety or security risks of the type contemplated by the Performance Standards or imposing liability for the breach thereof; "Applicable S&E Law"

**"As-If-Converted Basis"** means with respect to any calculation of the number of outstanding Equity Shares, calculated as if all Share Equivalents outstanding on the date of calculation have been exercised or exchanged for or converted into Equity Shares assuming full conversion of its Share Equivalent on the basis of the terms of issue of such Share Equivalent; "As-If-Converted Basis"

**"Auditor"** means the statutory auditors of the Company; "Auditor"

**"Authority"** means any national, supranational, state, regional or local government or governmental, statutory, regulatory, administrative, fiscal, judicial, or government-owned body, department, commission, board, authority, tribunal, court, stock exchange, or central bank (or any Person whether or not government owned and howsoever constituted or called, that exercises the functions of a central bank); "Authority"

**"Authorization"** means any consent, registration, filing, agreement, notarization, certificate, license, approval, permit, authority or exemption from, by or with any Authority, whether given by express action or deemed given by failure to act within any specified time period and all corporate, creditors' and shareholders' approvals or consents; "Authorization"

**"Beneficial Owner"** means the beneficial owner as defined in clause (a) of Sub-section 1 of Section 2 of the Depositories Act, 1996; "Beneficial Owner"

<b>"Big Four"</b> means any of KPMG, PricewaterhouseCoopers, Ernst & Young and Deloitte Touche Tohmatsu;"	"Big Four"
<b>"Board" or "Board of Directors"</b> means the board of directors of the Company as constituted from time to time in accordance with Article 81.2 (Composition);	"Board" or "Board of Directors"
<b>"Board Committee"</b> shall have the meaning ascribed to it under Article 81.11;	"Board Committee"
<b>"BSE"</b> means the Bombay Stock Exchange;	"BSE"
<b>"Business Day"</b> means a day (other than a Saturday or Sunday) when commercial banks are open for business in (i) New York, U.S.A, (ii) Mauritius and (iii) New Delhi, India;	"Business Day"
<b>"Business Plan"</b> means the current business plan of the Company, as agreed by and among the Company, Promoter and the Investors in writing, and thereafter, any revised business plan adopted by the Company in accordance with Article 113.1 (a);	"Business Plan"
<b>"CCPS"</b> means the compulsorily convertible preference shares of the Company of INR 300 (Rupees Three Hundred only) each having a par value of INR 20 (Rupees Twenty only) each and having the rights, preferences and privileges as agreed in writing between the Parties;	"CCPS"
<b>"Chairman"</b> means the chairman of the Board of Directors elected or appointed from time to time	"Chairman"
<b>"Company Business"</b> means the business carried on by the Company from time to time, presently being the business of managing and operating healthcare diagnostics facilities, and providing pathology, radiology, laboratory management and contract research;	"Company Business"
<b>"Company"</b> means Agilus Diagnostics Limited	"Company"
<b>"Company Operations"</b> means the operations, activities and facilities of the Company and its Key Subsidiaries (including the design, construction, operations, maintenance, management and monitoring thereof as applicable) in relation to the Company Business from time to time;	"Company Operations"
<b>"Competing Business"</b> means the business of pathology, radiology, laboratory management and managing and operating healthcare diagnostics (provided that a Person engaged in owning or operating hospitals shall not be deemed to be engaged in Competing Business merely because such person is providing such services within its hospital or healthcare premises);	"Competing Business"
<b>"Competitor"</b> means any Person engaged directly in a Competing Business and shall also include any Person in control of, controlled by or under common control with any Person engaged directly in a Competing Business (where "control" shall include direct holding of a majority ownership interest and/or the power to control/direct the board of directors in such Competing Business);	"Competitor"
<b>"Control"</b> means the right to appoint majority of the directors and/or the direct or indirect ownership of fifty percent (50%) or more of the voting share capital of a Person; and "Controlling" and "Controlled" have corresponding meanings;	"Control"
<b>"Deed of Accession"</b> means a deed of accession in the form agreed by and among the Company, Promoter and Investors in a separate agreement relating to governance and shareholder rights and obligations of the Company;	"Deed of Accession"
<b>"Director"</b> means an individual who is a member of the Board of the Company nominated and elected from time to time in accordance with	"Director"

Article 81.2 (Composition), and "Director" shall mean any one of them individually;

"**Dividend**" includes interim dividend.

"Dividend"

"**Debenture**" includes debenture-stock.

"Debenture"

"**Depository**" means a company formed and registered under the Companies Act, 2013, and which has been granted a certificate of registration to act as Depository under Securities & Exchange Board of India Act, 1992; and wherein the securities of the Company are dealt with in accordance with the provisions of the Depositories Act, 1996

"Depository"

"**Depositories Act, 1996**" shall include any statutory modification(s) or re-enactment(s) thereof, for the time being in force.

"Depositories Act,"

"**EBITDA**" for any period in respect of the Company shall mean, Net Income for such period (without giving effect to (x) any extraordinary gains and losses, (y) any non-cash income (for avoidance of doubt, it is hereby clarified that any income (in the ordinary course of business) which has accrued but has not been received during a relevant period shall not be considered as non-cash income), and (z) any gains or losses from sales of assets other than inventory sold in the ordinary course of business) adjusted by adding thereto (in each case to the extent deducted in determining Net Income for such period), without duplication, the amount of (i) total interest expense accrued (inclusive of banking fees, charges and commissions (e.g., letter of credit fees and commitment fees)) of the Company for such period, (ii) income tax expense accrued by the Company for such period, and (iii) all depreciation and amortization expense of the Company for such period, in each case, on a consolidated basis;

"EBITDA"

"**Effective Date**" means 28th June, 2012

"Effective Date"

"**Encumbrance**" means any (i) mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, security interest, title retention, preferential right, option (including call commitment), trust arrangement, right of set-off, counterclaim, banker's lien, any designation of loss payees or beneficiaries of any similar arrangement under or with respect to any insurance policy or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law; and (ii) any adverse claim as to title, possession or use, and "Encumber" shall be construed accordingly;

"Encumbrance"

"**ESOP Plan**" means any employee stock option plan duly adopted by the Company's Board from time to time.

"ESOP Plan"

"**Equity Shares**" means the equity shares of the Company currently having a par value of Rs.10/- (Rupees Ten only) per equity share;

"Equity Shares"

"**Equity Securities**" means Equity Shares and Share Equivalents of the Company;

"Equity Securities"

"**Exit Event Default**" means, in relation to an Investor, an event where such Investor has exercised the Put Option right under Article 111.8 and the Promoter has failed to discharge its obligations pursuant to such exercise for any reason

"Exit Event Default"

"**Exiting Investors**" shall have the meaning ascribed to it under Article 111.7

"Exiting Investors"

"**Extraordinary General Meeting**" means an extraordinary general meeting of the Members duly called and constituted and any adjourned meeting thereof.

"Extraordinary General Meeting"



<p><b>“Exercising Investor”</b> shall have the meaning ascribed to it under Article 111.8.5;</p>	<p>“Exercising Investor”</p>
<p><b>“Fair Market Value”</b> shall mean the fair market value of the Put Option Shares, determined by the Valuer determined in accordance with the provisions of Article 111.8.4;</p>	<p>“Fair Market Value”</p>
<p><b>"Financial Statements"</b> means the accounting statements prepared by the Company and audited by the Auditors (except if otherwise provided under these Articles) in accordance with the Accounting Standards, from time to time and shall include the balance sheet, a statement of profit and loss account, and statement of cash flows and all related schedules thereto for the Financial Year then ended;</p>	<p>"Financial Statements"</p>
<p><b>"Financial Year"</b> or <b>"Fiscal Year"</b> means the accounting year of the Company commencing each year on April 1 and ending on the following March 31, or such other period as the Company may, in accordance with the Applicable Law and these Articles, from time to time designate as its accounting year;</p>	<p>"Financial Year" or "Fiscal Year"</p>
<p><b>"Fully Diluted Basis"</b> at any given time, in the context of the capital structure of the Company, means the aggregate issued equity share capital of the Company at such time, assuming the exercise and conversion of all outstanding options or other rights to convert any Share Equivalents (including stock options, derivative instruments, convertible equity or debt instruments), into Equity Shares;</p>	<p>"Fully Diluted Basis"</p>
<p><b>"General Meeting"</b> or <b>"Meeting"</b> means either an Extraordinary General Meeting of the Company's shareholders or the annual general meeting of the Company's shareholders</p>	<p>General Meeting" or "Meeting"</p>
<p><b>“Identified Person”</b> shall mean any Person identified by the Promoter to purchase the Put Option Shares, who may or may not be an Affiliate of the Promoter (provided, however, that the obligations of the Promoter under these Articles shall in no manner be (or deemed to be) extinguished or waived or affected in any manner in the event that an Identified Person is designated to purchase the Put Option Shares);</p>	<p>“Identified Person”</p>
<p><b>"IFC"</b> means International Finance Corporation, an international organization established by Articles of Agreement among its member countries including the Republic of India;</p>	<p>"IFC"</p>
<p><b>"IFC Subscription"</b> means the subscription of certain CCPS of the Company by IFC</p>	<p>"IFC Subscription"</p>
<p><b>“IFC Shares”</b> shall mean the aggregate of (A) the CCPS to be issued to IFC upon payment of the IFC Subscription Amount, in accordance with the terms and conditions of the SSA, including any Equity Shares issued to IFC pursuant to conversion of the CCPS; (B) any Equity Shares or Share Equivalents acquired by IFC pursuant to a rights issue (in accordance with the provisions of Act) by the Company but not including the Shares or Share Equivalents acquired by IFC pursuant to Article 112.1; and (C) any Equity Shares or Share Equivalents issued to IFC pursuant to Article 112.3 (b), if applicable (D) any Equity Shares or Share Equivalents issued to IFC pursuant to any bonus issue, stock split, consolidation, merger, de- merger, spin-off, amalgamation, or other reorganization in relation to any Equity Shares falling within the categories mentioned in (A), (B) or (C) above;</p>	<p>"IFC Shares"</p>
<p><b>“IHH”</b> means IHH Healthcare Berhad Ltd</p>	<p>“IHH”</p>
<p><b>"Independent Director"</b> shall have the meaning ascribed to such term in section 2(47) of the Companies Act, 2013 and Regulation 16(1)(b) of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 in respect of stock exchanges in India;</p>	<p>"Independent Director"</p>

**"Intellectual Property Right"** means any patents, trademarks, copyrights, trade designs, trade secrets or other forms of intellectual property used, developed, licensed to or acquired by the Company for its business;

"Intellectual Property Right

**"Intended Purchaser"** shall have the meaning ascribed to it under Articles 110.4 (a);

"Intended Purchaser"

**"Intended Sale Shares"** shall have the meaning ascribed to it under Articles 110.4 (a);

"Intended Sale Shares"

**"Investment Amount" means,**

"Investment Amount"

- (a) in respect of IFC, the aggregate amount paid by IFC in order to acquire the IFC Shares;
- (b) in respect of NJBIF, the aggregate amount paid by NJBIF in order to acquire the NJBIF Shares;
- (c) in respect of Resurgence, the aggregate amount paid by Resurgence in order to acquire the Resurgence Shares; and

**It is hereby clarified that where the Investment Amount is to be determined in respect of a portion of the Investor Shares, only the original amount paid in respect of such portion of the Investor Shares shall be taken into account. Further, for the purpose of determining the Investment Amount for a Transferee of any Investor Shares, only the Investment Amount as paid by the relevant original Investor in respect of such Investor Shares shall be taken into consideration.**

Any additional amount/premium paid by such Transferee for acquiring the Equity Securities from a Transferring Investor shall not be taken into consideration in order to determine the Investment Amount for such Transferee. For example, if an Investor has paid INR 1000 (Rupees One Thousand) as the Investment Amount for subscribing to an Investor Share and has transferred the same to a Transferee for an amount of INR 1500 (Rupees One Thousand Five Hundred), then the Investment Amount paid by the relevant Transferee in respect of such Investor Share for the purposes of these Articles will be deemed to be only the original Investment Amount of INR 1000 (Rupees One Thousand), irrespective of such Transferee having paid INR 500 (Rupees Five Hundred) over and above such original Investment Amount for acquiring the said Investor Share from the relevant Investor.

Where the Investment Amount is to be determined on a per share basis, such amount shall be duly adjusted for any subsequent bonus issue, stock split, consolidation, merger, de-merger, spin-off, amalgamation, or other share re-organization;

**"Investors"** mean "IFC, NJBIF and Resurgence shall be individually referred to as the "Investor" and collectively, as the "Investors".

"Investors"

**"Investor Director"** shall have the meaning ascribed to it under Article 81.2 (a);

"Investor Director"

**"Investor Entry Price Per Share"** means in relation to each Investor, the weighted average price paid by such Investor for each Investor Share relevant to such Investor, which price shall be duly adjusted for any bonus issue, stock split, consolidation, merger, de-merger, spin-off, amalgamation or other share re-organization after the Effective Date till the date on which such price per Share is being determined;

"Investor Entry Price Per Share

**"Investor Exit Date"** means the date on which each of the Investors has Transferred its entire shareholding in the Company and none of the Investors hold any Equity Securities;

"Investor Exit Date"

**"Investor Shares"** means the NJBIF Shares, the IFC Shares and the Resurgence Shares collectively;

"Investor Shares"

"INR" or "Rs" or "Rupees" means the lawful currency of the Republic of India;	"INR" or "Rs" or "Rupees"
"IPO" means a public offering of Equity Shares accompanied by the listing of its Equity Shares on the BSE and/or National Stock Exchange or any other recognised stock exchange acceptable to the Investors;	"IPO"
"Issuance Notice" shall have the meaning ascribed to it under Article 112.1 (b);	"Issuance Notice"
"Issuance Price" shall have the meaning ascribed to it under Article 112.1 (b);	"Issuance Price"
"Issuance Shares" shall have the meaning ascribed to it under Article 112.1 (b);	"Issuance Shares"
"Key Joint Venture" any joint venture (i) in which the Company owns economic or equity interest of twenty-six percent (26%) or more AND (ii) where either (A) the revenues of such joint venture entity is equal to or more than twenty percent (20%) of the Company's consolidated revenues, in each case based on the latest audited Financial Statements; OR (B) the Company and its Subsidiaries' aggregate financial commitment (including debt, equity or in any other manner) to such joint venture entity is more than USD 10,000,000 (Ten million Dollars) or equivalent;	"Key Joint Venture"
"Key Personnel" means each of the following employees of the Company: (a) Executive Chairman, if any; (b) Managing Director/Chief Executive Officer (as applicable); (c) Chief Operating Officer; and (d) Chief Financial Officer;	"Key Personnel"
"Key Subsidiaries" means SRL Diagnostics Private Limited, DDRC SRL Diagnostic Limited (both by whatever name called) and any other Subsidiary of the Company where either (A) the revenues of such Subsidiary is equal to or more than twenty percent (20%) of the Company's consolidated revenues, in each case based on the latest audited Financial Statements; OR (B) the Company and its other Subsidiaries' aggregate financial commitment (including debt, equity or in any other manner) to such Subsidiary entity is more than USD 10,000,000 (Ten Million Dollars) or equivalent;	"Key Subsidiaries"
"Limited Trade Sale" shall have the meaning ascribed to it under Article 111.1;	"Limited Trade Sale"
"Limited Trade Sale Period" shall have the meaning ascribed to it under Article 111.1;	"Limited Trade Sale Period"
"Managing Director" means the Managing Director(s) for the time being of the Company so appointed.	"Managing Director"
"Members" or "Shareholders" mean duly registered holders, from time to time, of the shares of the Company and whose name is entered in the Register.	"Members" or "Shareholders"
"Memorandum" or "Memorandum of Association" means the memorandum of association of the Company	"Memorandum" or "Memorandum of Association"
"Material Acquisition" means any acquisition by the Company where the enterprise value of the entity proposed to be acquired is greater than five (5) times the Relevant EBITDA;"Month" means the calendar month.	"Material Acquisition"
"Net Income" for any period shall mean the excess (if any) of gross income from operations over total expenses (provided that income taxes, depreciation and all provisions shall be treated as part of total expenses) during such period for the Company on a consolidated basis. It is hereby clarified that one time, non-recurring and prior period items of income and expenses will not be considered as a part of Net Income;	"Net Income"

" <b>New Issuance</b> " shall have the meaning ascribed to it under Article 112.1 (a);	"New Issuance"
" <b>New Issuance Offeree</b> " shall have the meaning ascribed to it under Article 112.1 (a);	"New Issuance Offeree"
" <b>New Securities</b> " shall have the meaning ascribed to it in Article 112.1 (a);	"New Securities"
" <b>NJBIF</b> " means NYLIM Jacob Ballas India Fund III LLC, a company incorporated under the laws of Mauritius and having its registered office at 4th Floor, Ebene Heights, 34, Cybercity, Ebène 72201, Republic of Mauritius ;	"NJBIF"
" <b>NJBIF Nominee Director</b> " shall have the meaning ascribed to it under Article 81.2 (a) (ii);	"NJBIF Nominee Director"
" <b>NJBIF Shares</b> " means the aggregate of (A) CCPS to be issued to NJBIF upon payment of the NJBIF Subscription Amount (as defined in the SSA), in accordance with the terms and conditions of the SSA, including any Equity Shares issued to NJBIF pursuant to conversion of the CCPS; (B) any Equity Shares or Share Equivalents acquired by NJBIF pursuant to a rights issue (in accordance with the provisions of Act) by the Company but not including the Shares or Share Equivalents acquired by NJBIF pursuant to Article 112.1; and (C) any Equity Shares or Share Equivalents issued to NJBIF pursuant to Articles 112.3 (b) if applicable (D) any Equity Shares or Share Equivalents issued to NJBIF pursuant to any bonus issue, stock split, consolidation, merger, de-merger, spin-off, amalgamation, or other reorganization in relation to any Equity Shares falling within the categories mentioned in (A), (B) or (C) above;	"NJBIF Shares"
" <b>NJBIF Subscription</b> " means the subscription of certain CCPS of the Company by NJBIF;	"NJBIF Subscription"
" <b>Non-Exercise Event</b> " in relation to an Investor means where such Investor has not exercised the Put Option prior to the expiry of the Put Option Exercise Period;	"Non Exercise Event"
" <b>Notice of Participation</b> " shall have the meaning ascribed to it under Article 110.4 (c);	"Notice of Participation"
" <b>Notice Period</b> " shall have the meaning ascribed to it under Article 111.2.I;	"Notice Period"
" <b>Offeree</b> " shall have the meaning ascribed to it under Article 111.2 (a);	"Offeree"
" <b>Offered Shares</b> " shall have the meaning ascribed to it under Article 111.2.I;	"Offered Shares"
" <b>Office</b> " means the Registered Office for the time being of the Company;	"Office"
" <b>Ordinary Resolution</b> " shall have the meaning assigned thereto by Section 114 of the Act.	"Ordinary Resolution"
" <b>Overriding Articles</b> " means Articles 2, 64, 81.2, 81.9, 81.10, 81.11, 81.12, 81.13, 81.14, 81.15, 83, 84, 92, 110, 111, 112, 113, 114, 115 and 116;	"Overriding Articles"
" <b>Partial Transfer</b> " shall have the meaning ascribed to it under Article 111.3.(f);	"Partial Transfer"
" <b>Participating Investor</b> " shall have the meaning ascribed to it under Article 110.4 (c);	"Participating Investors"
" <b>Participating Tag Along Shares</b> " shall have the meaning ascribed to it under Article 110.4 (b);	"Participating Tag Along Shares"
" <b>Person</b> " means any individual, corporation, company, partnership, firm, voluntary association, joint venture, trust, unincorporated organization, Authority or any other entity whether acting in an individual, fiduciary or other capacity;	"Person"

<b>"Pre-emptive Right"</b> shall have the meaning ascribed to it under Article 112.1 (a);	"Pre-emptive Right"
<b>"Promoter Services"</b> means and includes all transactions relating to the management and operation of laboratories by the Company within the hospitals and healthcare facilities owned and/or managed by the Promoter and its subsidiaries, and shall include any transactions arising out of arrangements where such laboratory services are provided at the Company's facilities/laboratories, e.g. arrangements whereby the Company conducts analyses of samples from the Promoter's hospitals and healthcare facilities at the Company's laboratories not located within the premises of such hospitals/healthcare facilities of the Promoter;	"Promoters Services"
<b>"Promoter"</b> means Fortis Healthcare Limited, a company incorporated under the the laws of India, and having its registered office at Fortis Hospital Sector-62 Phase-VIII, Mohali Mohali PB 160062 India;	"Promoters"
<b>"Proxy"</b> includes an Attorney duly constituted under a Power of attorney;	"Proxy"
<b>"Purchase Notice"</b> shall have the meaning ascribed to it under Article 111.2.1;	"Purchase Notice"
<b>"Purchase Price"</b> shall have the meaning ascribed to it under Article 111.2.1;	"Purchase Price"
<b>"Put Option"</b> shall have the meaning ascribed to it under Article 111.8.1.(a);	"Put Option"
<b>"Put Option Exercise Period"</b> shall mean a period of six (6) months from the date of the occurrence of a Put Option Trigger Event;	"Put Option Exercise Period"
<b>"Put Option Notice"</b> shall have the meaning ascribed to it under Article 111.8.1(a);	"Put Option Notice"
<b>"Put Option Price"</b> shall have the meaning ascribed to it under Article 111.8.3;	"Put Option Price"
<b>"Put Option Shares"</b> shall have the meaning ascribed to it under Article 111.8.1(a);	"Put Option Shares"
<b>"Put Option Trigger Events"</b> shall mean the occurrence of any of the following at any time prior to the due consummation of an IPO:	"Put Option Trigger Events"
(a) IHH and/or its Affiliates (i) ceasing to collectively hold at least 26% (twenty-six percent), directly or indirectly, of the voting share capital of the Promoter; or (ii) neither having nominated majority of directors appointed on the board of the Promoter nor having the ability to appoint the majority of directors on the board of the Promoter;	
(b) The Investors have not been provided an exit, under Article 111 on or before the IPO Deadline Date in accordance with these Articles;	
(c) A Third Party (including any Strategic Investor) becomes the largest shareholder in the Company (by virtue of a primary subscription to Equity Securities) or acquires the right to appoint majority of the directors, where for purposes of this Article, the shareholding of any other Shareholder of the Company shall be aggregated with the shareholding of its Affiliates;	
(d) Any lender of the Company, of the Promoter or of any of their respective Affiliates invokes the security created in its favour on the Equity Securities of the Company and provided that the Company and/or the Promoter (as the case may be) has not obtained: (i) an injunction against such lender invoking the security; or (ii) a release of such invocation of the security by the lender, in each case within 45 (forty-five) days from the invocation of the security or notice of invocation (as the case may be);	

- (e) Any lender of the Company, of the Promoter or of any of their respective Affiliates invokes the security created in its favour on the Equity Securities of the Company, and the Equity Securities have been Transferred pursuant to such invocation; or
- (f) Any breach or default in respect of the obligations contained in Article 114.2 (Non-Compete) of these Articles by the Promoter, or any of its Affiliates. It is clarified that Affiliates of the Promoter, for the purpose of this Article, shall not include IHH or any of its Affiliates (other than the Promoter or Affiliates Controlled by the Promoter);
- "Register"** means the Register of Members and Debenture holders kept pursuant to Section 88 of the Act. "Register"
- "Registrar of Companies" or "The Registrar"** means the Registrar of Companies of the State in whose jurisdiction the Office of the Company is for the time being situate "Registrar of Companies" or "The Registrar"
- "Reference Price"** shall have the meaning as agreed by and among the Company, Investors and the Promoter in a separate agreement in writing relating to governance, shareholder rights and obligations of the Company; "Reference Price"
- "Related Party"** shall have the meaning ascribed to it in Accounting Standard 24 of the Indian Accounting Standards; "Related Party"
- "Relative"** shall have the meaning ascribed to it in the Act; Relative
- "Relevant Date"** means February 5, 2021; "Relevant Date"
- "Relevant EBITDA"**, means the consolidated EBITDA of the Company as per its then most recent audited Financial Statement or as per the audited financial statements for the then most recently ended four (4) quarterly period in accordance with the Accounting Standards; "Relevant EBITDA"
- "Reserved Matters"** shall mean the matters listed in Article 92.5; "Reserved Matters"
- "Resurgence"** means Resurgence PE Investments Limited (formerly known as Avigo Pe Investments Ltd.), a company incorporated under the laws of Mauritius and having its registered office at 355 NeXTeracom Tower 1, 3rd Floor, Cybercity, Ebene, Mauritius; "Resurgence"
- "Resurgence Nominee Director"** shall have the meaning ascribed to it under Article 81.2 (a) (i); "Resurgence Nominee Director"
- "Resurgence Shares"** means the aggregate of (A) Equity Shares issued to or purchased by Resurgence (as applicable) pursuant to the Resurgence SSA and the Resurgence SPA; (B) any Equity Shares or Share Equivalents acquired by Resurgence pursuant to a rights issue (in accordance with the provisions of Act) by the Company but not including the Shares or Share Equivalents acquired by Resurgence pursuant to Article 112.1; (C) any Equity Shares or Share Equivalents issued to Resurgence pursuant to 112.3 (b) or 111.5 (a) (ii) or; if applicable (D) any Equity Shares or Share Equivalents issued to Resurgence pursuant to any bonus issue, stock split, consolidation, merger, de-merger, spin-off, amalgamation, or other reorganization in relation to any Equity Shares falling within the categories mentioned in (A), (B) or (C). "Resurgence Shares"
- "Resurgence SPA"** means the share purchase agreement dated June 12, 2012 pursuant to which Resurgence has agreed to purchase certain Equity Shares of the Company; "Resurgence SPA"
- "Resurgence SPA Shares"** means 1,000,000 (One million) Equity Shares agreed to be purchased by Resurgence from the EBT pursuant to the Resurgence SPA; "Resurgence SPA Shares"

<b>"Resurgence SSA"</b> means the subscription agreement dated April 11, 2011 entered between Resurgence and the Company pursuant to which Resurgence had subscribed to certain Equity Shares of the Company;	"Resurgence SSA"
<b>"Rules"</b> means the applicable rules for the time being in force as prescribed under relevant sections of the Act	"Rules"
<b>"Seal"</b> means the common seal of the Company;	"Seal"
<b>"SEBI"</b> shall mean the Securities and Exchange Board of India;	"SEBI"
<b>"Secondary Shares"</b> shall have the meaning ascribed to it under Article 111.5 (b) (i);	"Secondary Shares"
<b>"Secretary"</b> or <b>"Company Secretary"</b> means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 (56 of 1980) who is appointed by a company to perform the functions of a company secretary under this Act;	"Secretary" or "Company Secretary"
<b>"Selling Investor"</b> shall have the meaning ascribed to it under Article 111.2;	"Selling Investor"
<b>"Selling Shareholder"</b> shall have the meaning ascribed to it under Article 110.4 (a);	"Selling Shareholder"
<b>"Settlement Date"</b> shall have the meaning ascribed to it under Article 111.8.6.	"Settlement Date"
<b>"Share"</b> means shares in the capital of the Company, with voting rights or with differential rights as to dividend, voting or otherwise;	"Share"
<b>"Share Capital"</b> means the issued, subscribed and the paid-up Equity Share capital of the Company on a Fully Diluted Basis;	"Share Capital"
<b>"Share Equivalents"</b> means securities that are convertible into or exercisable or exchangeable for, or which carry a right to subscribe for or purchase, Equity Shares or any instrument or certificate representing a beneficial ownership interest in the common shares of the Company, including global depository receipts or American depository receipts, convertible preference shares, options to purchase Equity Shares pursuant to any stock option scheme and other similar instruments;	"Share Equivalents"
<b>"Shareholder"</b> means any Person that holds Equity Securities;	"Shareholder"
<b>"Special Resolution"</b> shall have the meaning assigned thereto by Section 114 of the Act.	"Special Resolution"
<b>"SSA"</b> means the share subscription agreement entered into by the Company and the Promoter on June 12, 2012, pursuant to which IFC and NJBIF had agreed to subscribe to the shares of the Company;	"SSA"
<b>"Strategic Investor"</b> means any Person proposing to make (or approached by the Company for purposes of) an equity investment in the Company or any Person to whom the Promoter proposes to Transfer its Equity Securities (or approached by the Promoter for purposes of Transfer of its Equity Securities) and provided that such Person along with its Affiliates earns revenues of at least USD 100,000,000 (One Hundred Million Dollars) from the business of providing laboratory management services, pathology and radiology, contract research (as carried on by the Company from time to time) and/or the business of owning and/or operating hospitals and/or the business of managing and operating healthcare diagnostic facilities. Further, any other Person reasonably proposed by the Company or the Promoter for such purpose shall also be deemed to be a Strategic Investor, subject to the consent of the Investors (in the same manner as if such matter was a Reserved Matter) for such Person being deemed as a Strategic Investor, which consent shall not be unreasonably withheld;	"Strategic Investor"
<b>"Subscription Period"</b> shall have the meaning ascribed to it under Article 112.1 (c);	"Subscription Period"

" <b>Subsidiary</b> " in relation to the Company means, any Person that shall be regarded as a 'subsidiary' within the meaning of the Act	"Subsidiary"
" <b>Tag Along Offer</b> " shall have the meaning ascribed to it under Article 110.4 (a);	"Tag Along Offer"
" <b>Tag Along Period</b> " shall have the meaning ascribed to it under Article 110.4 (b);	"Tag Along Period"
" <b>Tag Along Right</b> " shall have the meaning ascribed to it under Article 110.4 (b);	"Tag Along Rights"
" <b>Tag Along Shares</b> " shall have the meaning ascribed to it under Article 110.4 (a);	"Tag Along Shares"
" <b>Tax</b> " or " <b>Taxes</b> " shall mean any present or future taxes (including stamp taxes), withholding obligations, duties and other charges of whatever nature levied by any Authority	"Tax" or "Taxes"
" <b>Third Party</b> " means any Person who is not the Company, the Promoter and the Investors;	"Third Party"
" <b>These Presents</b> " or "Charter Documents" mean the Memorandum of Association and these Articles of Association of the Company for the time being in force.	"These Presents" or "Charter Documents"
" <b>Third Party Sale</b> " shall have the meaning ascribed to it under Article 111.7; and	"Third Party Sale"
" <b>Transfer</b> " shall mean to transfer, sell, convey, assign, transfer by operation of law or otherwise, whether or not voluntarily, and	
" <b>Transferring</b> " and " <b>Transferred</b> " shall have corresponding meanings;	"Transferring" and "Transferred"
" <b>Transferee</b> " shall mean any Person to whom Equity Securities are transferred or proposed to be transferred;	"Transferee"
" <b>Transferor</b> " shall mean any Person who Transfers or proposes to Transfer the Equity Securities;	"Transferor"
" <b>Unsubscribed Portion</b> " shall have the meaning ascribed to it under Article 112.1 (c);	"Unsubscribed Portion"
" <b>Valuer</b> " means an independent firm mutually identified by the Promoter and all the Investors exercising the relevant exit option, and failing such agreement within 5 (five) days of the date of exercise of the relevant exit option, a firm from among the Agreed Valuers identified by a draw of lots conducted by the Company (in the presence of each Investor that has exercised the relevant exit option) on the sixth day after the date of exercise for the relevant exit option;	Valuer"
" <b>Whole Time Director</b> " means the Whole Time Director for the time being of the Company and includes a director in whole time employment of the Company.	"Wholetime Director"
2. Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.	Expressions in the Articles to bear the same meaning as in the Act
3. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.	

### Share capital and variation of rights

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| 3. | Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may | Shares under control of Board |
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issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

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| 4. | Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.  | Directors may allot shares otherwise than for cash                  |
| 5. | The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:  | Kinds of Share Capital  |
|    | (a) Equity share capital:   |   |
|    | (i) with voting rights; and / or  |   |
|    | (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and   |   |
|    | (b) Preference share capital  |   |
| 6. | 1. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide –  | Issue of certificate  |
|    | (a) one certificate for all his shares without payment of any charges; or   |   |
|    | (b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.   |   |
|    | 2. Every certificate shall be under the Seal and shall specify the shares to which it relates and the amount paid-up thereon.   | Certificate to bear Seal  |
|    | 3. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.   | One certificate for shares held jointly                             |
| 7. | In terms of provision of Companies Act and in accordance with Depositories Act, the new shares shall be issued to subscriber in dematerialized mode only and the Company shall intimate designated depository, the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.  | Issuance of new shares  |
| 8. | If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board. | Issue of new certificate in place of one defaced, lost or destroyed |

9.	The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.	Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc.
10.	<ol style="list-style-type: none"> <li>1. The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.</li> <li>2. The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.</li> <li>3. 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.</li> </ol>	<p>Power to pay commission in connection with Securities issued</p> <p>Rate of commission in accordance with Rules</p> <p>Mode of payment of commission</p>
11.	<ol style="list-style-type: none"> <li>1. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.</li> <li>2. To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.</li> </ol>	<p>Variation of members' rights</p> <p>Provisions as to general meetings to apply mutatis mutandis to each meeting</p>
12.	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.	Issue of further shares not to affect rights of existing Members
13.	Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.	Power to issue redeemable preference shares
14.	<ol style="list-style-type: none"> <li>1. The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to – <ol style="list-style-type: none"> <li>(a) persons who, at the date of offer, are holders of equity shares of the Company; such offer 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; or</li> <li>(b) employees under any scheme of employees' stock option; or</li> <li>(c) any persons, whether or not those persons include the persons referred to in Article (a) or Article (b) above.</li> </ol> </li> <li>2. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.</li> </ol>	<p>Further issue of share capital</p> <p>Mode of further issue of shares</p>

15.	<b>Lien</b>	Company's lien on shares
	<p>1. The Company shall have a first and paramount lien –</p> <p style="padding-left: 40px;">(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p style="padding-left: 40px;">(b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:</p> <p style="padding-left: 40px;">Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.</p> <p>The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.</p> <p>Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.</p>	Lien to extend to dividends, etc.
16.	<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made—</p> <p style="padding-left: 40px;">(a) unless a sum in respect of which the lien exists is presently payable; or</p> <p style="padding-left: 40px;">(b) until the expiration of 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 to the person entitled thereto by reason of his death or insolvency or otherwise.</p>	Waiver of lien in case of registration  As to enforcing lien by sale
17.	<p>1. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</p> <p>2. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>3. The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.</p> <p>4. 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 with reference to the sale.</p>	Validity of sale  Purchaser to be registered holder  Validity of Company's receipt  Purchaser not affected
18.	<p>1. 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.</p> <p>2. 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.</p>	Application of proceeds of sale  Payment of residual money
19.	<p>In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by</p>	Outsider's lien not to affect Company's lien

any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

20. The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company. Provisions as to lien to apply mutatis mutandis to debentures, etc.

**Calls on shares**

21. 1. The Board may, from time to time, make calls upon the members in respect of any monies 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. Board may make Calls
2. Each member shall, subject to receiving at least 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. Notice of call
3. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances. Board may extend time for payment.
4. A call may be revoked or postponed at the discretion of the Board Revocation or postponement of call
22. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments. Call to take effect from date of resolution
23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. Liability of joint holders of shares
24. 1. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board. When interest on call or instalment payable
2. The Board shall be at liberty to waive payment of any such interest wholly or in part. Board may waive Interest
25. 1. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. Sums deemed to be calls
2. 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. Effect of nonpayment of sums
26. The Board – Payment in anticipation of calls may carry interest
- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such

rate as may be fixed by the Board. Nothing contained in this Article shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

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| 27. | If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.   | Instalments on shares to be duly paid                                |
| 28. | All calls shall be made on a uniform basis on all shares falling under the same class.<br><br>Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.  | Calls on shares of same class to be on uniform basis                 |
| 29. | Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided. | Partial payment not to preclude forfeiture                           |
| 30. | The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.  | Provisions as to calls to apply mutatis mutandis to debentures, etc. |

### Transfer of Shares

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| 31 | 1. The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.<br><br>2. 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. | Instrument of transfer to be executed by transferor and transferee<br><br>Transferor to remain the holder till register of members is updated |
| 32 | The Board may, subject to the right of appeal conferred by the Act decline to register –<br><br>(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or<br><br>(b) any transfer of shares on which the Company has a lien.                                   | Board may refuse to register transfer   |
| 33 | In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless –<br><br>(a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;  | Board may decline to recognise instrument of transfer   |

- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
- 34 On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine. Transfer of shares when suspended
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.
- 35 The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company Provisions as to transfer of shares to apply mutatis mutandis to debentures, etc.

#### Transmission of shares

- 36 1. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares. Title to shares on Death of a member
2. Nothing in Article (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. Estate of deceased member liable
- 37 1. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either – Transmission Article
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or Insolvent member could have made.
2. 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. Board's right Unaffected
3. The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer. Indemnity to the Company
- 38 1. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Right to election of holder of share
2. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. Manner of testifying election

3. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member. Limitations applicable to notice
- 39 A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company: Claimant to be entitled to same advantage
- 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 ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
- 40 The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company Provisions as to transmission to apply mutatis mutandis to debentures, etc

#### **Forfeiture of Shares**

- 41 If a member fails to pay any call, or instalment of a call or any money due in respect of any share, 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 or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment. If call or instalment not paid notice must be given
- 42 The notice aforesaid shall: Form of notice
- (a) name a further day (not being earlier than the expiry of 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
- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited
- 43 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. In default of payment of shares to be forfeited
- 44 Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture. Receipt of part amount or grant of indulgence not to affect forfeiture

45	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.	Entry of forfeiture in register of members
46	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	Effect of forfeiture
47	<ol style="list-style-type: none"> <li>1. A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.</li> </ol>	Forfeited shares may be sold, etc.
	<ol style="list-style-type: none"> <li>2. At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</li> </ol>	Cancellation of forfeiture
48	<ol style="list-style-type: none"> <li>1. 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, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.</li> </ol>	Members still liable to pay money owing at the time of forfeiture
	<ol style="list-style-type: none"> <li>2. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.</li> </ol>	Member still liable to pay money owing at time of forfeiture and interest
	<ol style="list-style-type: none"> <li>3. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.</li> </ol>	Cesser of liability
49	<ol style="list-style-type: none"> <li>1. A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.</li> </ol>	Certificate of forfeiture
	<ol style="list-style-type: none"> <li>2. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.</li> </ol>	Title of purchaser and transferee of forfeited shares
	<ol style="list-style-type: none"> <li>3. The transferee shall thereupon be registered as the holder of the share; and</li> </ol>	Transferee to be registered as holder
	<ol style="list-style-type: none"> <li>4. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.</li> </ol>	Transferee not Affected
50	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to	Validity of sales



execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.

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| 51 | Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto. | Cancellation of share certificate in respect of forfeited shares                    |
| 52 | The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.  | Surrender of share certificates   |
| 53 | The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.   | Sums deemed to be calls   |
| 54 | The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.  | Provisions as to forfeiture of shares to apply mutatis mutandis to debentures, etc. |

### **Alteration of capital**

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| 55 | <p>Subject to the provisions of the Act, the Company may, by ordinary resolution:</p> <p>(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;</p> <p>(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:</p> <p style="padding-left: 40px;">Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;</p> <p>(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</p> <p>(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</p> <p>(e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</p> | Power to alter share capital       |
| 56 | Where shares are converted into stock:   | Shares may be converted into stock |

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit;

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage; Right of Stockholders
- (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“member” shall include “stock” and “stock-holder” respectively. Applicability on Stock

57 The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, — Reduction of Capital

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any securities premium account; and/or
- (d) any other reserve in the nature of share capital.

### Joint Holders

58 Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles: Joint-holders

- (a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share. Liability of Joint holders
- (b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. Death of one or more joint-holders
- (c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share. Receipt of one sufficient
- (d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term Delivery of certificate and giving of notice to first named holder

shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.

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| (e) | (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof. | Vote of joint holders  |
|     | (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Article be deemed joint-holders.  | Executors or administrators as joint holders   |
| (f) | The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.   | Provisions as to joint holders as to shares to apply mutatis mutandis to debentures, etc |

### Capitalisation of profits

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| 59 | 1. The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve —  | Capitalisation  |
|    | (a) 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  |                 |
|    | (b) that such sum be accordingly set free for distribution in the manner specified in Article (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.   |                 |
|    | 2. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article (3) below, either in or towards :   | Sum how applied |
|    | (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;   |                 |
|    | (b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;   |                 |
|    | c) partly in the way specified in sub-Article (a) and partly in that specified in sub-Article (b).   |                 |
|    | 3. A securities premium account and a capital redemption reserve account or any other permissible reserve account including profits, for the purposes of this Article, may be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares; |                 |
|    | 4. The Board shall give effect to the resolution passed by the Company in pursuance of this Article.   |                 |

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| 60 | <p>1. Whenever such a resolution as aforesaid shall have been passed, the Board shall –</p> <p>(a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and</p> <p>(b) generally do all acts and things required to give effect thereto.</p>  | Powers of the Board for capitalisation                     |
|    | <p>2. The Board shall have power—</p> <p>(a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and</p> <p>(b) to 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 or other securities 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.</p> | Board's power to issue fractional certificate/ coupon etc. |
|    | <p>3. Any agreement made under such authority shall be effective and binding on such members.</p>  | Agreement binding on members                               |

**Buy Back of Shares**

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| 61 | Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities. | Buy-back of shares |
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**General Meetings**

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| 62 | All general meetings other than annual general meeting shall be called extraordinary general meeting. | Extraordinary general meeting                         |
| 63 | The Board may, whenever it thinks fit, call an extraordinary general meeting.                         | Powers of Board to call extraordinary general meeting |

**Proceeding of the General Meeting**

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| 64.1 | An annual general meeting of the shareholders of the Company shall be held within six (6) months of the end of each Financial Year. Subject to the foregoing, the Board or the Shareholders (entitled under Applicable Law) may convene an extraordinary general meeting of the shareholders of the Company whenever they deem appropriate in accordance with the process prescribed under Applicable Law.                    | Convening of annual general meeting or extra extraordinary general meeting |
| 64.2 | (a) Not less than twenty one (21) days' prior written notice of all General Meetings shall be given to the Shareholders at their respective addresses notified by them to the Company in writing, provided that where, exceptionally, the Shareholders are required to make a decision in circumstances in which the foregoing notice requirements cannot be observed, a General Meeting may be convened at shorter notice in | Notice for general meeting   |

accordance with the prescribed process under Applicable Law and the Charter Documents.

- (b) Every notice of a General Meeting under this Article 64 shall specify the place, date and hour of the meeting and shall contain an agenda and accompanying materials with a statement of the business to be transacted thereof and where any such business consists of special business, as defined under the Act, there shall be annexed to the notice an explanatory statement in accordance with Section 102 of the Act. No business shall be transacted at any General Meeting duly convened and held other than that specified in the notice.
- 64.3 The Company shall provide the Company's previous Financial Year's audited Financial Statements to all Shareholders at least twenty one (21) days before the General Meeting that is held to approve and adopt such audited Financial Statements. Financial Statements to all Shareholders
- 64.4 The quorum for a General Meeting shall be as prescribed under Applicable Law. Subject to the provisions of these Articles, resolutions may be passed at a General Meeting by a vote of shareholders present in person or by proxy, or by corporate representative, holding shares representing a majority of the shares of the Company then outstanding. Quorum for general meeting
- 64.5 Any resolution, which under the provisions of the Act or the Articles is permitted or is required to be done or passed by the Company in a General Meeting shall be sufficiently so done if passed by ordinary resolution, as defined under Section 114(1) of the Act, unless either the Act or the Articles specifically require such act to be done or resolution passed by a special resolution as defined under Section 114(2) of the Act, provided that in relation to any Reserved Matters, the consent of the Investors in accordance with the provisions of Article 92 shall be required. Ordinary or Special Resolution
- Subject to these Articles, any act or resolution which, under these Articles or the Act is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently so done or passed if effected by an Ordinary Resolution as defined in Section 114(1) of the Act unless either the Act or the Articles specifically require such act to be done or resolution to be passed by a specific majority by Special Resolution as defined in Section 114(2) of the Act.
- 64.6 The provisions of this Article 64 shall apply, mutatis mutandis, to meetings of any class of shareholders of the Company. Provisions of this Article 64 shall apply, mutatis mutandis
- 64.7 The chairman of a General Meeting shall not have any second or casting vote. Casting vote of Chairperson at general meeting
- 64.8 Any shareholder of the Company shall be entitled to participate in a General Meeting at which such shareholder is not physically present, by video conference or similar electronic means in accordance with Applicable Law and the chairman of such meeting shall ensure that such shareholder's observations are duly recorded in the minutes of such meeting. Participation of Shareholders by video conference or similar electronic means
- 64.9 The Chairman of the Board shall take the chair at every General Meeting. If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes, or is unwilling to act, or if any of the Directors present Chairperson of the meetings

decline to take the chair, then the Members present shall choose one of their Members being a Member entitled to vote to be the Chairman of the meeting.

- 64.10 If at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the Meeting if convened by or upon the requisition of Members shall stand dissolved. In any other case the Meeting shall stand adjourned in the same day in the next week at the same time and place or to such other day and at such other time and place as the Board may determine, and if at such adjourned Meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the Members present, shall be a quorum and may transact the business for which the Meeting was called. Quorum for the meeting and adjournment
- 64.11 A declaration by the Chairman that a resolution has on a show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the minutes shall be conclusive evidence of the fact without further proof. Declaration by the Chairman
- 64.12 (a) The Chairman of a General Meeting may adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Adjournment of meeting
- (b) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (c) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 64.13 (a) If a poll is demanded in accordance with the provisions of the Act it shall be taken forthwith on a question of adjournment or election of a Chairman of the meeting. Demand for poll
- (b) The person or persons who made the demand may withdraw the demand for a poll at any time before the poll is taken.
- (c) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers, at least one of whom shall be a Member (not being an officer employee of the Company) present at the meeting, provided such a Member is available and willing to be appointed, to scrutinize the votes given on the poll and to report thereon to him.
- (d) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken. On poll a Member entitled to more than one vote or his Proxy or other persons entitled to vote for him, as the case may be need not, if he votes, use all his votes or casting the same way all the votes he uses.
- (e) The demand for poll shall not prevent the meeting from transacting any business other than the business in respect of which a poll has been demanded.
- 65 1. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Presence of Quorum

	2. No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.	Business confined to election of Chairperson whilst chair vacant
66	1. The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.	Minutes of proceedings and resolutions passed by postal ballot
	2. There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting –	Certain matters not to be included in Minutes
	(a) is, or could reasonably be regarded, as defamatory of any person; or	
	(b) is irrelevant or immaterial to the proceedings; or	
	(c) is detrimental to the interests of the Company.	
	3. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid Article.	Discretion of Chairperson in relation to Minutes
	4. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.	Minutes to be evidence
67	1. The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:	Inspection of minute books of general meeting
	(a) be kept at the registered office of the Company; and	
	(b) be open to inspection of any member without charge, during 10.00 a.m. to 12.00 noon on all working days other than Saturdays.	
	2. Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in Article (1) above:	Members may obtain copy of minutes
	Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.	
68	The Board and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final and rights to attend and participate in the meeting concerned shall be subject to such decision.	Powers to arrange security at meetings

### Voting rights

69	Subject to any rights or restrictions for the time being attached to any class or classes of shares –  (a) on a show of hands, every member present in person shall have one vote; and  (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.	Entitlement to vote on show of hands and on poll
70	A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.	Voting through electronic means
71	1. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.  2. For this purpose, seniority shall be determined by the order in which the names stand in the register of members	Vote of joint holders  Seniority of names
72	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.	How members non compos mentis and minor may vote
73	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Article to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.	Votes in respect of shares of deceased or insolvent members, etc.
74	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.	Business may proceed pending poll
75	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.	Restriction on voting rights
76	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.	Restriction on exercise of voting rights in other cases to be void
77	Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.	Equal rights of Members

**Proxy**

78	1. Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.	Member may vote in person or otherwise
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2.	Proxies when to be deposited
The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.	
79	Form of proxy
An instrument appointing a proxy shall be in the form as prescribed in the Rules.	
80	Proxy to be valid notwithstanding death of the principal
A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:	
Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.	
81	<b>Directors</b>
81.1	Board of Directors
Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).	
81.2	Composition
(a) The Directors shall be appointed in accordance with Applicable Law and provisions of these Articles. Further, the Investors shall have a right to nominate Directors in accordance with the following provisions:	
(i) As long as Resurgence holds at least thirty three percent (33%) of the Resurgence Shares, it shall be entitled to appoint one (1) Director (the " <b>Resurgence Nominee Director</b> "); and	
(ii) As long as NJBIF holds at least holds at least thirty three percent (33%) of the NJBIF Shares, it shall be entitled to appoint one (1) Director (the " <b>NJBIF Nominee Director</b> ").	
The Resurgence Nominee Director and the NJBIF Nominee Director shall be collectively referred to as the "Investor Directors" and any one of them individually as an "Investor Director". It is hereby clarified for avoidance of any doubt that, IFC is not entitled to appoint any Directors to the Board.	
(b) Further, for the purpose of the computation of thirty three percent (33%) of the Resurgence Shares or NJBIF Shares, as the case may be, as required under Articles 81.2 (a), the combined shareholding of the relevant Investor along with its Affiliates and Transferees shall be considered.	
(c) Nothing contained in these Articles shall affect the right of any lender to appoint a nominee director to the Board, pursuant to any credit related agreement or arrangement of such lender with the Company or its Subsidiary.	

- (d) The composition of the Board shall at all times include such number of Independent Directors (which for avoidance of doubt shall not include the Investor Directors) as represents at least twenty five percent (25%) of the strength of the Board. Further, it is agreed that if any of Resurgence or NJBIF (or their permitted assigns) cease to have the right to appoint an Investor Director, then an additional Independent Director(s) shall be appointed in place of each such Investor Director(s).
- (e) Subject to Applicable Law and the provisions of Article 81.2 (a), it is agreed that so long as the Promoter and/or their Affiliates is/are the largest shareholder in the Company, the Promoters shall have the right to nominate a majority of Directors on the Board.
- 81.3 1. The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation. Directors not liable to retire by rotation
2. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company. Same individual may be Chairperson and Managing Director/Chief Executive Officer
- 81.4 1. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. Remuneration of directors
2. The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary/special resolution (as the case may be) passed by the Company in general meeting. Remuneration to require members' consent
3. In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them— Travelling and other expenses
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
- (b) in connection with the business of the Company.
- 81.5 All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine. Execution of negotiable instruments
- 81.6 1. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Appointment of additional directors
2. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act. Duration of office of additional director

81.7	<ol style="list-style-type: none"> <li>1. The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.</li> <li>2. An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.</li> <li>3. If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.</li> </ol>	<p>Appointment of alternate director</p> <p>Duration of office of alternate director</p> <p>Re-appointment provisions applicable to Original Director</p>
81.8	<ol style="list-style-type: none"> <li>1. If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.</li> <li>2. The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.</li> </ol>	<p>Appointment of director to fill a casual vacancy</p> <p>Duration of office of Director appointed to fill casual vacancy</p>
81.9	<p>Any Director appointed as provided above at Article 81.2 may be removed from office only by the Party entitled to appoint such Director, and any vacancy, however arising, on the Board may be filled only by the Party entitled to appoint the previous incumbent of such vacancy. Any Party entitled to appoint a Director may at its option appoint an alternate Director for each such Director. Upon the appointment of any Director or alternate Director as provided in these Articles, each of the Company, Promoter and Investors shall cause the Directors nominated by them to vote at Board meetings to confirm the appointment of such Director or alternate Director as the first item of business at the next occurring Board meeting.</p>	<p>Removal; Alternates</p>
81.10	<ol style="list-style-type: none"> <li>(a) The quorum for any Board meeting shall be as prescribed by Applicable Law and the Charter Documents, and shall include at least one (1) Investor Director, if appointed by any of NJBIF or Resurgence in accordance with Article 81.2 above. In the absence of such quorum, the Board meeting shall be adjourned to the fourth Business Day after the date of the said meeting, at the same time and same place, and the Directors present at the adjourned meeting shall constitute a quorum, subject to requirements of Applicable Law and the Charter Documents.</li> <li>(b) Save when a larger majority is required by Applicable Law or as provided below, all resolutions of the Board shall be approved by a simple majority of the Directors present at the Board meeting or by circulation as per the provisions of the Act and Charter Documents.</li> <li>(c) The consent of a majority of the Independent Directors (in addition to a simple majority of the Directors present at a duly convened and constituted meeting of the Board) shall be required for the following matters: <ol style="list-style-type: none"> <li>(i) Related Party transactions in respect of any Promoter Services (other than those pursuant to arrangements existing as of June</li> </ol> </li> </ol>	<p>Board Resolutions</p>

12, 2012 and which have been duly disclosed to the Investor prior to the IFC Subscription and the NJBIF Subscription.

- (ii) Any amendments or modifications to the arrangements pertaining to Promoter Services existing as of the Effective Date; and
- (iii) Creation of any Subsidiary or entering into any joint venture by the Company.

It is hereby clarified that solely for purposes of this Article 81.10 (c), the Investor Directors shall be deemed to be Independent Directors and shall be included in order to determine whether a majority of Independent Directors have approved the matters set out herein.

- (d) Subject to Applicable Law, the Board may take decisions through resolution by circulation. No resolution shall be deemed to have been duly passed by the Board or a committee of the Board by circulation, unless the resolution has been circulated in draft form, together with the relevant information with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, to all Directors or to all Directors on the relevant committee at their usual address, and has been approved in writing by a majority of the Directors on the Board.

81.11 The Board shall constitute an audit committee, compensation committee and a corporate governance and nominations committee and may from time to time constitute such other committees of the Board (each a "**Board Committee**"), as it considers necessary or desirable to facilitate the operations of the Company and determine their constitution, functions, powers, authorities and responsibilities, subject in all cases to the final oversight and supervision of the Board of Directors. Each Board Committee created pursuant to this Article shall be created for such purposes and shall be constituted in such a manner and with such members as the Board shall from time to time decide. Committees of the Board

The Company shall appoint one (1) Investor Director to each of the audit committee and the compensation committee, whose identity shall be mutually decided by NJBIF and Resurgence and notified to the Company, subject to each such committee of the Board at all times including one (1) Investor Director (unless such requirement is waived in writing by each of the Investors entitled to nominate such Directors). It is hereby clarified for the avoidance of doubt that the Company may at its sole discretion, upon request by Resurgence and/or NJBIF, appoint more than one Investor Director to the aforesaid committees.

81.12 The Company shall ensure that: Board Meetings

- (a) An agenda setting out in detail the items of business proposed to be transacted at a meeting of the Board/a committee of the Board together with necessary information and supporting documents shall be circulated to each of the Directors on the Board/each committee and their alternates, if any. Such agenda, information and documents shall be circulated within such minimum time as stipulated under Companies Act as amended from time to time, prior to the date of the relevant meeting; provided that where, exceptionally, the Board or a committee of the Board is required to make a decision in circumstances in which the foregoing notice requirements cannot be observed, such requirement to circulate agenda information and documents may be waived with the consent of a majority of the Directors on the Board or on such committee, including each of the Investor Directors (in the case of a meeting of a committee, if any such Investor Director has been appointed to such committee). Unless waived in writing by each

Director, any item not included in the agenda of a meeting shall not be considered or voted upon at that meeting of the Board;

- (b) Any and all matters reasonably proposed by any of the Investors (and not inconsistent with these Articles) (and notified to the Company at least fifteen (15) days in advance of the proposed meeting) shall be placed on the agenda of meetings of the Board/any committee of the Board and shareholders of the Company;
- (c) Minutes of meetings of the Board/ any committee of the Board shall be prepared and maintained in accordance with Applicable Law and shall describe in reasonable detail the views of the Investor Directors; and
- (d) Certified copies of the minutes of Board meetings/meetings of any committee of the Board shall be promptly sent to the Investors (and in any event no later than fifteen (15) days after the date of such meeting).

81.13 The Company expressly agrees and undertakes that, subject to Applicable Law, no Investor Director shall be liable for any default or failure of the Company in complying with the provisions of any Applicable Law, including but not limited to, defaults under the Act, taxation and labour laws of India, unless otherwise finally held by a competent court in India. Subject to the applicable provisions of the Act, the Company shall indemnify and hold harmless to the maximum extent permitted by Applicable Law, each Director from and against any and all pending or completed actions, suits, claims or proceedings and any and all costs, damages, judgments, amounts paid in settlement subject to such Investor Director having consulted with the Company prior to entering into any settlement and expenses or liabilities which such Director may directly incur, suffer, and/or bear due to the failure of the Company to comply with any of the provisions of any Applicable Law, or these Articles or that are in any way related to, his or her activities or his or her position as a Director.

81.14 The reasonable costs incurred by each Director in attending a meeting of the Board or a committee or a General Meeting (including the reasonable costs of travel and attendance of each Director) shall be reimbursed by the Company.

81.15 Any Director shall be entitled to participate in a meeting of the Board or a committee of the Board of which he or she is a member, at which he or she is not physically present, by video conference or similar electronic means in accordance with Applicable Law and such Director's observations shall be duly recorded in the minutes of such meeting.

#### **Powers of Board**

82 The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

General powers of the Company vested in Board

### Proceedings of Directors Board

83	<ol style="list-style-type: none"> <li>1. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</li> <li>2. The Chairperson or any Director or Company secretary on the direction of the Chairperson or such Director or any other person as may be authorised by the Board of Directors shall, at any time, summon a meeting of the Board.</li> <li>3. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</li> <li>4. The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.</li> </ol>	<p>When meeting to be convened</p> <p>Who may summon Board meeting</p> <p>Questions at Board meeting how decided</p> <p>Participation at Board meetings</p>
84	<p>Notice of every meeting of the Board or a Committee thereof shall ordinarily be given in writing to every Director for the time being in India and at his usual address in India to every other Director.</p>	<p>Notice of meetings in writing</p>
85	<p>The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.</p>	<p>Directors not to act when number falls below minimum</p>
86	<ol style="list-style-type: none"> <li>1. The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</li> <li>2. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</li> </ol>	<p>Who to preside at meetings of the Board</p> <p>Directors to elect a Chairperson</p>
87	<ol style="list-style-type: none"> <li>1. 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.</li> <li>2. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.</li> <li>3. The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.</li> </ol>	<p>Delegation of powers</p> <p>Committee to conform to Board regulations</p> <p>Participation at Committee meetings</p>
88	<ol style="list-style-type: none"> <li>1. A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.</li> </ol>	<p>Chairperson of Committee</p>

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| 2. | If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.   | Who to preside at meetings of Committee                                |
| 89 | 1. A Committee may meet and adjourn as it thinks fit.   | Committee to meet  |
|    | 2. Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.   | Questions at Committee meeting how decided                             |
| 90 | All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director. | Acts of Board or Committee valid notwithstanding defect of appointment |
| 91 | Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority or special majority (as the case may be) of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.  | Passing of resolution by circulation                                   |

92 **Investor Consent Rights**

1. Notwithstanding any other provision of these Articles, the Promoter and the Company shall not, and shall ensure that each of the Key Subsidiaries and Key Joint Ventures shall not, take any decisions (whether in a Board Meeting or General Meeting or meeting of a Board Committee) in respect of matters listed in Article 92.5 (“**Reserved Matters**”) without having obtained the prior written consent of the Investors, as applicable as provided below:
  - (a) the written consent of all the Investors, where the Investors entitled to such prior consent as per Article 92.2 are two (2) or less; and
  - (b) the written consent of at least two (2) Investors, where the Investors entitled to such prior consent as per Article 92.2 are three (3).
  
2. The prior consent of an Investor shall be required in respect of the Reserved Matters only till such time either of such Investor or its Transferee (as applicable) holds at least fifty percent (50%) of the relevant Investor Shares on an individual basis or until the due consummation of an IPO, whichever is earlier. Further, for the purpose of the computation of fifty percent (50%) of the Investor Shares in respect of each Investor, the combined shareholding of the relevant Investor along with its Affiliates and Transferees shall be considered.
  
3. If the Company proposes to issue any New Securities (other than issue of Equity Securities to a Strategic Investor or pursuant to an IPO in accordance with the provisions of these Articles), and all three (3) Investors object to such issuance (and where such objection has been conveyed to the Company by way of written communication), the Company shall not proceed with such proposed issuance of such New Securities.”

4. If, upon issue of a written notice to an Investor in relation to any of the Reserved Matters (which notice shall be accompanied by the relevant background and other information and/or supporting documents pertaining thereto), the Company does not receive any response from such Investor within a period of thirty (30) days of receipt of such written notice by such Investor, it shall be deemed that such Investor has refused its consent in respect of the said Reserved Matter.
5. Notwithstanding any other provision of these Articles, the Promoter and the Company shall not, and shall ensure that each of the Key Subsidiaries and Key Joint Ventures (on a best efforts basis to the extent of the Company's shareholding in such joint ventures and its ability to direct the board of directors and/or management of such joint ventures), shall not take any action in respect of matters listed below, without having obtained the written consent of the Investors as provided in Article 92.1:
  - (a) The entry into a new line of business other than the Company Business or any diversification or change in the Business by the Company and/or any of its Key Subsidiaries/Key Joint Ventures; or cessation of its business by the Company or any of its Key Subsidiaries/Key Joint Ventures.
  - (b) Amendment or repeal or authorize any amendment or other action in relation to the Charter Documents in any way that (aa) may alter or change the rights, privileges or preferences of the Equity Securities held by any Investor; or (bb) is in contravention of the terms of these Articles. For avoidance of doubt, it is hereby clarified that providing of more favourable terms and conditions to the Strategic Investor than those offered to the Investors in accordance with these Articles shall not be considered as alteration or change in the rights, privileges or preferences of the Equity Securities held by any Investor and shall not be a Reserved Matter.
  - (c) Any merger, reconstitution, de-merger, voluntary winding up, dissolution or such other transaction of the Company or any Key Subsidiary/Key Joint Venture, or Authorize or take any decision to not oppose any involuntary proceedings filed by any third party in respect of a dissolution of the Company / Key Subsidiary/Key Joint Venture.
  - (d) Any sale, conveyance, exchange or transfer to another person of any shares in any Key Subsidiary or Key Joint Venture that results in the Company owning less than its existing shareholding of any Key Subsidiary or Key Joint Venture.
  - (e) Any sale or disposal of (including through a de-merger) any assets of the Company or any Key Subsidiary/Key Joint Venture held by the Company or any Key Subsidiary/Key Joint Venture, where the value of such assets sold or disposed (including through a de-merger) by the Company/ Key Subsidiary/ Key Joint venture (as applicable) exceeds five percent (5%) of the value of total assets of the Company, the relevant Key Subsidiary and Key Joint Venture, as applicable in any Financial Year (whether as a single transaction or in a series of transactions).
  - (f) Authorization of or undertaking of any reduction of capital or share repurchase or buy-back of shares by the Company, other than any



repurchase of shares of the Company or Share Equivalents issued to or held by employees, officers, directors or consultants of the Company or its Subsidiaries pursuant to an employee stock plan upon termination of their employment.

- (g) Any material changes to the Company's accounting policies except as required by Applicable Law.
- (h) The Company/Key Subsidiary/Key Joint Venture entering into foreign currency options and derivative transactions on a speculative basis not representing underlying trade transactions.
- (i) Undertaking any transaction with any Related Party save and except (i) in accordance with Company's Annual Budget in the ordinary course of business; (ii) providing the Promoter Services; (iii) loans obtained from any Related Party provided that the overall outstanding amount in respect of all loans from all Related Parties does not exceed an amount of INR 100,000,000 (Rupees One Hundred Million); and (iv) transactions with Related Parties where the aggregate payments (excluding any payments pursuant to the arrangements covered in the foregoing Articles 92.5 (i), (ii) and (iii) to Related Parties in all transactions with Related Parties do not exceed an aggregate amount of INR 20,000,000 (Rupees Twenty Million) in a Financial Year.
- (j) The Company/Key Subsidiary/Key Joint Venture giving guarantees on behalf of, or loans to any Third Party, except in the ordinary course of business.
- (k) Investment of surplus funds of the Company in instruments other than as per the investment policy approved by the Board of the Company; or investment of surplus funds of the Company in instruments in equity or equity linked instruments.
- (l) Declaring or paying any dividend, distribution or redemption inconsistent with the Charter Documents or the constitutional documents of any Key Subsidiary other than the repurchase of shares under employee stock option arrangements.
- (m) Any alteration or change in the designations, powers, rights, privileges or preferences of the Equity Securities held by the Investors in any manner whatsoever, provided that provision of any special or preferential privileges or rights to a Strategic Investor shall not, by itself be deemed to be an alteration or change in the designations, powers, rights, privileges or preferences of the Equity Securities held by the Investors and shall not be a Reserved Matter.
- (n) Any change in the Financial Year.
- (o) Any Material Acquisition by the Company.
- (p) Undertaking any debt financing from any lender/s of the Company/ Subsidiaries, pursuant to which the aggregate borrowings of the Company and its Subsidiaries would equal or exceed four (4) times the Relevant EBITDA.

93 **Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer**

1. Subject to the provisions of the Act— a chief executive officer, manager, Company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, Company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses. Chief Executive Officer, etc.
2. A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer. Director may be chief executive officer, etc.

**Registers**

- 94 The Company shall keep and maintain at its registered office all statutory registers including but not limited to register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. Statutory registers

The registers and copies of annual return shall be open for inspection during 10.00 a.m. to 12.00 noon on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

- 95 (a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. Foreign register
- (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

**The Seal**

- 96 1. The Board shall provide for the safe custody of the seal. Custody and use  
Affixation of seal
2. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

### Dividends and Reserve

97	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.	Company in general meeting may declare dividends
98	Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.	Interim dividends
99	<ol style="list-style-type: none"> <li>1. 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 applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.</li> <li>2. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</li> </ol>	<p>Dividends only to be paid out of profits</p> <p>Carry forward of profits</p>
100	<ol style="list-style-type: none"> <li>1. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</li> <li>2. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.</li> <li>3. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</li> </ol>	<p>Division of profits</p> <p>Payments in advance</p> <p>Dividends to be apportioned</p>
101	<ol style="list-style-type: none"> <li>1. 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 of the Company.</li> <li>2. The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Article hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.</li> </ol>	<p>No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom</p> <p>Retention of dividends</p>
102	<ol style="list-style-type: none"> <li>1. Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint</li> </ol>	<p>Dividend how remitted</p>

	holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.		
	2. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	Instrument Payment	of
	3. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	Discharge Company	to
103	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.	Receipt of one holder sufficient	
104	No dividend shall bear interest against the Company.	No interest Dividends	on
105	The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.	Waiver of dividends	
106	<b>Accounts</b>		
	1. The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.	Inspection Directors	by
	2. No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.	Restriction inspection members	on by
107	<b>Winding up</b>		
	Subject to the applicable provisions of the Act and the Rules made thereunder –	Winding up Company	of
	(a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.		
	(b) 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.		
	(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.		

### Indemnity and Insurance

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|-----|--|---|
| (a) | Subject to the provisions of the Act, every director, managing director, whole-time director, manager, Company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, Company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, Company secretary or officer or in any way in the discharge of his duties in such capacity including expenses. | Directors and officers right to indemnity                                   |
| (b) | Subject as aforesaid, every director, managing director, manager, Company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.  | Directors and officers to be indemnified against liability incurred by them |
| (c) | The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.  | Insurance   |

### General Power

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| 109 | Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided. | General power |
|-----|--|---------------|

### TRANSFER RESTRICTIONS ON PROMOTER

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|--------|---|-------------------------|
| 110.1. | <p>1. The Promoter agrees, that until the closing of an IPO or the Investors have been provided an exit pursuant to Article 111, except for any Transfer exempt under Article 110.3 (Exempt Transfer by Promoter):</p> <p>(a) The Transfer or creation of Encumbrance (other than Encumbrance exempted under Article 110.3.2 and 110.3.3) on any Equity Securities held by the Promoter or its Affiliates to any Third Party (who is not an Affiliate), other than a Strategic Investor, shall require the prior written consent of each of the Investors; and</p> <p>(b) Without prejudice to Article 110.1.1(a), the Transfer of any Equity Securities held by the Promoter or its Affiliates to any Third Party (who is not an Affiliate), shall be carried out only in compliance with the provisions of Article 110.4 (Tag Along Rights).</p> <p style="margin-left: 40px;">Any Transfer by the Promoter or its Affiliates of any Equity Securities held by the Promoter or its Affiliates in contravention of the provisions of these Articles shall be void.</p> | Transfers before an IPO |
|--------|---|-------------------------|

2. The Promoter shall ensure that such Transferee has executed a Deed of Accession and shall provide each of the Investors an original Deed of Accession duly signed by such Transferee except in cases the Transferee is already a party to the Shareholders Agreement.
3. Where a proposed Transfer of any Equity Securities by the Promoter is to a Strategic Investor:
  - (a) The price/valuation of each Equity Security being Transferred shall be equal to or greater than each Investor Entry Price Per Share. For the purpose of computation of Investor Entry Price Per Share for the purpose of this Article, the Equity Securities issued to the relevant Investors under Article 112.3.(b) shall not be considered; and
  - (b) The Transferee shall execute a deed of acknowledgment in the form as agreed in writing between the parties acknowledging all the rights and privileges of the Investors hereunder (but shall not be required to execute a Deed of Accession as per Article 110.1.2 above).

Provided, however that the aforesaid restrictions on Transfer of Equity Securities by Promoters to the Strategic Investor shall not apply for the benefit of any Investor in relation to whom a Non-Exercise Event has occurred.

4. If a Non-Exercise Event occurs in relation to an Investor, then the consent of such Investor shall not be required for Transfer by the Promoter of all or part of its Equity Securities to any Third Party, provided that such Transfer including any Transfer to a Strategic Investor shall continue to be subject to the Tag Along Right of the Investors as provided in Article 110.4 below.

110.2 A Promoter may Transfer all or part of its Equity Securities to an Affiliate only if such Affiliate has executed a Deed of Accession. The Promoter and its Affiliate to whom it has Transferred any of its Equity Securities shall exercise any rights in relation to such Transferred Equity Securities on a proportionate basis (to the extent that such rights are capable of being exercised pro-rata) and to the extent that such rights are not capable of being exercised pro-rata, the rights shall continue to be exercised by either of the Promoter or such Affiliate (and not both).

Transfer to Affiliate  
by Promoter

For purposes of this Article 110.2, if such Transferee at any time ceases to be an Affiliate of the Promoter, the Transferee shall Transfer the relevant Equity Securities back to the Promoter (or another Affiliate of Promoter), notwithstanding that such Transferee has executed a Deed of Accession.

- 110.3 1. Transfer to an Affiliate in accordance with Article 110.2 (Transfer to Affiliate by Promoter); and
2. Subject to Article 110.3.3, the Promoter shall be entitled to create an Encumbrance in favour of any lender(s) on its Equity Securities for raising finance for the benefit of the business of the Company or its Subsidiaries and/or Key Joint Ventures, provided, however that:
  - (i) Such finance shall be as duly approved by the Board; and

Exempt Transfers by  
Promoter

(ii) Such Encumbrance shall be duly disclosed to each of the Investors prior to or at the time its creation.

3. Notwithstanding the provisions of Article 110.3.2 above, the Promoter is entitled to create an Encumbrance, in favour of any lenders without any requirement of approval of the Board or any Investor for raising finance for any purpose including, but not limited to, for the benefit of the business of the Company, or its Subsidiaries, Key Joint Ventures and/or Promoter, on such number of Equity Securities that are held by it in excess of 50.1% on a Fully Diluted Basis of the shareholding of the Company. The Promoter shall disclose the creation of the Encumbrance to each of the Investors upon its creation, as soon as reasonably practicable and in any event within 2 (two) Business Days of creation of such Encumbrance.

110.4 (a) In the event the Promoter (or any of its Affiliates holding any Equity Securities) proposes to sell any of its Equity Securities to a Third Party (who is not an Affiliate), including any Strategic Investor, then the Promoter or the relevant Affiliate (the "**Selling Shareholder**") shall not sell any Equity Securities that it owns to such Third Party, including any such Strategic Investor (the "**Intended Purchaser**") unless and until the Intended Purchaser has first made an offer (a "**Tag Along Offer**") to each Investor to purchase the same proportion of the total Equity Securities held by that Investor (the "**Tag Along Shares**") as the proportion of the total Equity Securities being sold by the Promoter to the Intended Purchaser (the "**Intended Sale Shares**") bears to the total Equity Securities held by the Promoter on an As-if-Converted-Basis and Fully Diluted Basis (immediately before the intended sale), on exactly the same terms and conditions. For example: If the Promoter proposes to Transfer twenty five per cent (25%) of its shareholding in the Company on an As-if-Converted-Basis and Fully Diluted Basis, each Investor shall be entitled to offer as Tag Along Shares, twenty five per cent (25%) of the Equity Securities held by such Investor at such time on an As-if-Converted Basis and Fully Diluted Basis. The price per Equity Security (other than an Equity Share) for the purpose of Tag Along Offer shall be arrived at by treating Equity Securities on an As-if-Converted Basis.

Tag Along Rights

Notwithstanding anything to the contrary in this Article 110.4., in the event, pursuant to the proposed sale by the Promoter to the Intended Purchaser (together with any primary issuance by the Company), the Intended Purchaser will acquire the right to appoint a majority of the Directors or will become the largest shareholder of the Company, the Tag Along Shares that may be sold by each Investor to such Intended Purchaser shall constitute up to all Equity Securities held by such Investor and the price that the Investor may receive for such Tag Along Shares shall be the price per Equity Security including the same terms on which the Intended Sale Shares are proposed to be sold by the Promoter.

(b) Each Investor shall have the right (a "**Tag Along Right**") exercisable upon written notice (the "Notice of Participation") to the Intended Purchaser and the Selling Shareholder within forty five (45) days after receipt of the Tag Along Offer (the "**Tag Along Period**"), to accept the Tag Along Offer in respect of all or part of the Tag Along Shares, on the same terms and conditions as set forth in the Tag Along Offer. The Notice of Participation shall indicate the number of Tag Along Shares that such Investor elects to Transfer to the Intended Purchaser ("**Participating Tag Along Shares**").

- (c) If any Investor fails to give a Notice of Participation electing to accept the Tag Along Offer within the Tag Along Period, such Investor shall be deemed to have waived its Tag Along Right in relation to the relevant Tag Along Offer, and the Selling Shareholder shall be free to Transfer the Intended Sale Shares to the Intended Purchaser without requiring the Intended Purchaser to purchase the Tag Along Shares from such Investor, provided, however, that the proposed Transfer of the Intended Sale Shares to the Intended Purchaser shall be completed within ninety (90) days from the last day of the Tag Along Period, failing which, the Tag Along Right of each Investor as per this Article 110.4. shall once again apply in respect of any proposed subsequent Transfer by them of some or all of Intended Sale Shares. Such 90 (ninety) day period shall be extended for a further period of up to 60 (sixty) days for obtaining requisite regulatory Authorizations if required for Transfer of Intended Sale Shares by the Selling Shareholder to the Intended Purchaser. If any Investor gives a Notice of Participation (such Investor being referred to as "**Participating Investor**"), any Transfer of the Intended Sale Shares by the Selling Shareholder to the Intended Purchaser shall be completed and held valid only if such Intended Purchaser acquires the Participating Tag Along Shares of such Participating Investor on the same terms and conditions as set forth in the Tag Along Offer and on the same terms and conditions as that of the Selling Shareholder.
- (d) At the closing of any purchase of Participating Tag Along Shares by the Intended Purchaser, the Participating Investor shall deliver duly stamped and executed share transfer forms together with original share certificates representing the Participating Tag Along Shares to the Intended Purchaser. In the event, Participating Tag Along Shares are dematerialised then at the closing of any purchase of Participating Tag Along Shares by the Intended Purchaser, the Participating Investor shall deliver duly executed delivery instruction slips for the Participating Tag Along Shares, instructing the depository participant to Transfer the Participating Tag Along Shares in favour of the Intended Purchaser. Such Participating Tag Along Shares shall be free and clear of any Encumbrance, and the Participating Investor shall not be required to make any representation or warranty to the Intended Purchaser, other than that it is the sole beneficial and legal owner of the Participating Tag Along Shares and that such Participating Tag Along Shares are free from Encumbrances. The Intended Purchaser shall, simultaneously, deliver at such closing, payment in full of the consideration in accordance with the price set forth in the Tag Along Offer net of withholding taxes as per Applicable Law. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the sale of the Participating Tag Along Shares to the Intended Purchaser.

#### EXITS AND IPO

- 111.1 111.1.1. Subject to Article 111.2 (Right of First Offer) and the terms herein, Limited trade Sale  
 at anytime after June 1, 2021, for a period of twenty four (24) months from the Relevant Date ("**Limited Trade Sale Period**"), each of the Investors shall have the right to Transfer all or part of the Investor Shares held by it to a Third Party Transferee by conducting a limited trade sale process ("**Limited Trade Sale**"). The Limited Trade Sale shall be subject to each of the following terms and conditions:
- (a) Transfer of Investor Shares shall not be to a Competitor (as defined below);



- (b) All Transfers shall be subject to provisions of Article 111.2 below;
- (c) Subject to the relevant Investor having notified the Company in relation to execution of a non-binding term sheet with the Transferee for the sale of relevant Investor Shares the Company shall, subject to compliance with Applicable Law, provide all reasonable support and cooperation on a timely basis, in terms of access to data room for diligence, provision of relevant information and access to relevant members of the management, to facilitate the Limited Trade Sale. It is clarified that the Company shall not be required to prepare management presentations, information memoranda and/or business plans for the Limited Trade Sale;
- (d) The Company and the relevant Investor shall use best efforts to complete the entire Limited Trade Sale process within one hundred and twenty (120) days from the date on which the relevant Investor(s) notify the Company of the execution of the term sheet in relation to the Transfer pursuant to the Limited Trade Sale. Notwithstanding the foregoing: (a) if a Limited Trade Sale process has been initiated anytime during the Limited Trade Sale Period, but the Company has appointed a lead merchant banker for conducting the IPO in accordance with these Articles, the Limited Trade Sale must be completed within 30 (thirty) days from the appointment of such lead merchant banker; and (b) if the Company has appointed a lead merchant banker for conducting the IPO in accordance with Article 111.6.2, a Limited Trade Sale process may be initiated only in the manner set out in Article 111.6.2.
- (e) Each Investor shall be entitled to run one (1) Limited Trade Sale Process individually and additionally, each Investor shall collectively with one or more Investors be entitled to run one (1) Limited Trade Process.
- (f) if reasonably necessary for the completion of the Limited Trade Sale, the Company agrees in good faith that it shall provide such customary representations, warranties and corresponding indemnities with respect to the operations of the Company, as may be reasonably requested by such third-party purchaser, subject to customary limitations and qualifications. Provided however, none of the Investors shall be required to make any business related representations and warranties, provide any covenants or undertakings, grant any indemnifications (in relation to such business related representations and warranties) other than fundamental representations (with corresponding indemnities and subject to customary limitations and qualifications) relating to the clear and marketable title of the Investor Shares held by the relevant Investor and due authority and capacity to hold and Transfer the said Investor Shares in such sale;
- (g) No more than two (2) Transferees shall participate in a Limited Trade Sale process run by an individual Investor, provided however, in the event the Investors collectively hold a Limited Trade Sale process, in accordance with this Article 111.1.1, up to six (6) Transferees may participate at the same time. For the purpose of this sub-Article participation by a Transferee shall mean signing of a non-binding term sheet with the Investor or Investors; and
- (h) All costs (except the costs incurred in relation to the due diligence as hereinafter mentioned) incurred in carrying out the Limited Trade Sale process, including costs related to fees of merchant banker/broker and/or legal advisors shall be borne solely by the Investors. All costs in relation to the due diligence of the Company shall be borne by the Company, which shall not exceed Indian Rupees Forty lakhs (INR 40,00,000) per

Limited Trade Sale process. Any costs for due diligence over and above Indian Rupees Forty lakhs (INR 40,00,000) shall be borne by the Investors. It is hereby agreed that any appointment of any due diligence agency shall be mutually agreed between the Investors and the Company.

- 111.2 I. In the event if any Investor proposes to Transfer all or any portion of the Investor Shares held by it, the concerned Investor(s) ("**Selling Investor(s)**") shall first deliver to the Promoter a written notice offering to sell to the Promoter the number of Equity Securities proposed to be Transferred ("**Offered Shares**") with a copy of such notice to the Company, provided that a mere failure to provide such notice to the Company shall not constitute a breach of such Investor's obligations hereunder. Within a period of thirty (30) Business Days from the receipt of such notice ("**Notice Period**"), the Promoter shall inform the Selling Investor in writing ("**Purchase Notice**") the Promoter's intention to purchase all (and not less than all) the Offered Shares and the price at which the Promoter intend to complete such purchase ("**Purchase Price**").
- Right of First Offer("ROFO")
- II. If the Promoter has delivered the Purchase Notice prior to the expiry of the Notice Period, the Selling Investor(s) shall be entitled, at their option, to require the Promoter to purchase all (but not less than all) the Offered Shares at such Purchase Price by issuing an acceptance notice to the Promoter ("**Acceptance Notice**") within thirty (30) Business Days of receipt of the Purchase Notice. In such event, such sale shall, subject to Article 111.2.IV below, be completed within a period of sixty (60) days from the date of receipt by the Promoters of the Acceptance Notice (or such further date as may be mutually agreed between the Selling Investor(s) and the Promoters) and if the purchase is not completed within such sixty (60) day period, then, without prejudice to the Investors' other rights, the Selling Investor(s) shall thereafter be entitled to sell the Offered Shares to any other Person on such terms and conditions as the Selling Investor(s) may deem fit. It is agreed that if any regulatory approval required for sale of the Offered Shares to the Promoter has not been received within such sixty (60) day period, then such period shall be extended by a further period of not exceeding sixty (60) days, failing which the provisions of Article 111.2.IV shall apply.
- III. If the Promoters have delivered a Purchase Notice within the Notice Period but the Selling Investor(s) chooses not to accept the Purchase Price set out in such Purchase Notice, then the Selling Investor(s) shall thereafter be entitled to Transfer up to all the Offered Shares to any other Person at a price which is higher than the Purchase Price. Such sale shall be completed within one hundred eighty (180) days of the receipt of the Purchase Notice failing which the provisions of Article 111.2.IV shall apply *de novo* to any Transfer of Equity Securities by the Selling Investor.
- IV. If (A) the Promoters fail to provide the Selling Investor(s) with a Purchase Notice within the Notice Period, or (B) the Selling Investor(s) does/do not receive payment in full of the Purchase Price for all the Offered Shares prior to the expiry of sixty (60) days from the delivery of the Acceptance Notice (or as period may be extended for obtaining requisite regulatory approvals for a further period not exceeding sixty (60) days), then the Selling Investor(s) shall thereafter be entitled to Transfer up to all the Offered Shares at any price to any Third Party (not being a Competitor).

- V. Each Party shall comply with the Applicable Laws in respect of any Transfer pursuant to this Article 111.2
- 111.3 (a) Subject to Article 111.2 (Right of First Offer), each of the Investors shall have the right to Transfer all or part of the Investor Shares held by it to a Third Party, provided that such Transferee is not a Competitor. Transfers by Investors
- (b) For purposes of this Article 111, “Competing Business” shall also include the business of owning and/or operating hospitals and “Competitor” shall be construed accordingly for the purposes of this Article 111. Provided that it is agreed that no Person shall be construed as a Competitor for purposes of this Article 111 unless such Person or an Affiliate of such Person has revenues of at least USD 5,000,000 (Five Million Dollars) (or its equivalent) from Competing Business and/or business of owning and/or operating hospitals in the then immediately preceding financial year. The Investors further agree that if the annual consolidated revenues of the Company from the business of contract research at any time becomes equal to or greater than thirty three percent (33%) of the annual consolidated revenues of the Company at the time of a proposed sale of Investor Shares by an Investor, then such contract research business will be deemed to be included within the scope of “Competing Business” for purposes of this Article 111 and the term “Competitor” shall be construed accordingly.
- (c) Where a Transferee is not a Competitor, but holds ten percent (10%) or more of the share capital of a Person engaged in any Competing Business, the rights of the Investors as provided in Article 81 (Board of Directors), Article 92 (Investor Consent Rights), Article 110 (Transfer Restrictions on Promoter), Article 111 (Exits and IPO), Article 112 (Pre-Emptive Rights), and Article 113 (Information, Reporting and Inspection Rights) of these Articles shall not be transferable to such Transferee.
- (d) The Investors shall not create any Encumbrance on the Investor Shares held by them.
- (e) No Transfer of any Investor Shares by any Investor to any Transferee shall be effective until (A) such Transferee has executed a Deed of Accession and the Investor has provided the Company and the other Parties an original Deed of Accession duly signed by such Transferee except in cases where the Transferee is already a Party to the Shareholders Agreement; (B) the Transfer complies in all respects with the other applicable provisions of these Articles; and (C) the Transfer complies in all respects with the provisions of Applicable Law and the Charter Documents. Any Transfer by Investors of their respective Investor Shares in contravention of the provisions of these Articles shall be void.
- (f) An Investor may assign all its rights, other than as expressly provided in these Articles, to a Transferee of the Investor Shares held by it, provided that if an Investor sells only a part of the Investor Shares held by it and pursuant to such Transfer, such Investor as well as such Transferee/s hold any Investor Shares, the rights currently exercisable by the relevant Investor/s under the Transaction Documents shall at all times be exercised by the relevant Investor and its Transferees on a proportionate basis (to the extent that such rights are capable of being exercised pro-rata) and to the extent that such rights are not capable of being exercised pro-rata (which for the avoidance of doubt includes the right to appoint Director or Observer in accordance with Article 81.2,

the rights related to constitution of quorum in accordance with Article 81.10 and the right to provide consent in respect of Reserved Matters in accordance with Article 92.1) shall be exclusively exercised by the: (a) Investor if such Investor has transferred less than fifty percent (50%) of its Investor Shares to such Transferees; (b) Transferee if such Investor has transferred more than fifty percent (50%) of its Investor Shares to such Transferee, provided however, where any Investor has transferred more than fifty percent (50%) of its Investor Shares to two (2) Transferees, the relevant rights shall be exercised by the Investor or the Transferee holding the highest number of Investor Shares. Further, all obligations of the Investors under the Transaction Documents shall also be assumed by such Transferee(s) pursuant to a Transfer of any Investor Shares.

For the avoidance of doubt, it is hereby clarified that where any Investor proposes to sell a part (and not all) of the Investor Shares held by it ("**Partial Transfer**"), such Investor shall subject to the foregoing, have the option to either assign its rights (i) in not more than two (2) Partial Transfers or (ii) to a maximum of two (2) Transferees.

- (g) Notwithstanding any provisions contained in these Articles, the Parties agree that upon a whole or part Transfer of the Investor Shares by an Investor to a Transferee, the Transferee shall not be entitled to (i) require the Company to conduct an IPO as per Article 111.6 for a period of two (2) years from the date of such Transferee becoming a Shareholder or the IPO Deadline Date whichever is later; or (ii) exercise its rights under Article 111.7 (Investor Third Party Sale) for a period of thirty (30) months from the date of such Transferee becoming a Shareholder, provided however that notwithstanding the foregoing such Transferee shall be entitled to participate in an IPO or a Third Party Sale process conducted by the Company for the other Investors in accordance with the terms of these Articles. Further, the rights of the Investor to conduct a Limited Trade Sale as set out in Article 111.1 (Limited Trade Sale) and Put Option set out in Article 111.8 (Put Option) hereinbelow cannot be Transferred to any Transferee and can be exercised only by the Investor and to the extent of the Investor Shares held by it. In case of a transfer of the Investor Shares by the Investor to the Promoter, no rights available to the Investors under these Articles (including but not limited to the exit rights) shall be deemed to be assigned to the Promoters.

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| 111.4 | Notwithstanding anything to the contrary, if an Exit Event Default has occurred in relation to an Investor, such Investor shall be permitted to transfer its Investor Shares to a Competitor (subject to right of first offer obligations under Article 111.2) and no other restrictions (including those set out in Articles 111.3.b and 111.3.c) shall apply. It is clarified that all other provisions of these Articles including Article 111.2 (Right of First Offer) and Articles 111.3 (Transfer by Investor) (other than Articles 111.3.b and 111.3.c), shall continue to apply in case of a Transfer on occurrence of an Exit Event Default. | Sale to a Third Party on occurrence of an Exit Event Default |
| 111.5 | (a) An Investor may Transfer all or part of its Investor Shares to its Affiliate, provided the Affiliate to whom any Investor Shares are Transferred executes an original Deed of Accession and delivers the same to the Company and the Promoter. The Transferor and its Affiliate to whom the Transferor Party has transferred any of its Investor Shares shall exercise the right in relation to the transferred Investor Shares on a proportionate basis (to the extent such rights are capable of being exercised pro-rata) and to the extent that such rights are not capable of  | Exempt Transfers   |

being exercised pro-rata, the rights shall be exercised by either of the Investor or such Affiliate (and not both).

- (b) If a Transferee at any time ceases to be an Affiliate of the transferring Investor, Transferee shall Transfer the Investor Shares concerned back to the transferring Investor (or another Affiliate of such Investor), (notwithstanding that such Transferee has executed a Deed of Accession).

111.6 111.6.1. After the expiry of twenty four (24) months from the Relevant Date (“**IPO Trigger Date**”), the Company shall take all necessary actions to facilitate an IPO in order to provide an exit to the Investors, and shall undertake best efforts to achieve a listing of the Company, pursuant to the same, and the Promoter undertakes to use all its respective rights and voting powers in the Company to ensure that the Company shall achieve, an IPO by the expiry of thirty six (36) months from the Relevant Date (“**IPO Deadline Date**”) and cause the Company’s Equity Shares to be listed pursuant to such IPO, in accordance with the provisions of this Article 111.6 (IPO). The Parties agree that any breach of this condition should not be deemed to be a breach of these Articles by the Company and the Investor shall not have any claims against the Company in this regard. IPO

111.6.2. The Company may, at any time after the Execution Date, initiate action to facilitate an IPO (including at any time prior to the IPO Trigger Date) and achieve listing of the Company and in such event, the provisions set out in Article 111.6.3 to Article 111.6.8 shall also be applicable to an IPO initiated under this Article. In the event a draft red herring prospectus has not been filed with respect to an IPO initiated under this Article 111.6.2 within six (6) months from the date of the appointment of the merchant banker for the IPO, then at the written request of any of the Investors, the Company and the Promoter shall take all necessary actions to enable the Investors to undertake a Limited Trade Sale in accordance with Article 111.1.

### **111.6.3. IPO Structure**

- (a) The Board or a committee constituted by the Board shall run the IPO process. The Board shall appoint a lead merchant bank. The Board shall, based on the recommendation of the lead merchant bank, and in good faith consultation with the Investors, determine the terms of the IPO including the pricing of the Securities offered in IPO, quantum of offering and split between the primary and secondary component to be offered in the IPO. It is clarified that, notwithstanding anything contained in these Articles, the specific consent of the Investors will not be required for the Company to run the IPO process or undertaking corporate actions necessary for the IPO process including, amendments to the Charter Documents, provided however, specific consent of the Investors shall be required for appointment of lead merchant bank in the event that majority of the IPO is proposed to be conducted by way of an offer for sale by the Investors.
- (b) The IPO may be conducted by way of: (i) a fresh issue of Shares of the Company; or (ii) an offer for sale by the Investors; or (iii) by way of a combination of both.
- (c) The Company will facilitate a consultation process with the Investors prior to filing an IPO offer document, in order to mutually determine the actual number of Equity Shares to be constituted in the offer for sale of Secondary Shares. For the avoidance of doubt, it is hereby clarified that, subject to the terms of the IPO as determined in accordance with Article 111.6.3(a), each Investor shall have the right (but not the

obligation) to offer upto its entire shareholding in the Company for inclusion among the Secondary Shares being offered in any IPO.

- (d) Subject to Applicable Law, all the costs and expenses of the IPO (including inter alia payment of all costs relating to the listing and sponsorship, underwriting fees, listing fees, merchant bankers fees, bankers fees, brokerage, commission,) required to be paid in respect of the IPO, shall be borne and paid by the Company except where the the Investors are selling their securities in an offer for sale as a part of the IPO, the cost of merchant banker appointed by the Company for the IPO shall be borne by the relevant Investors proportionately. Notwithstanding the foregoing, it is clarified that in relation to any IPO of the Company, the Investors shall bear their own costs in relation to the services provided specifically to them by their respective legal counsels and/or financial advisors/ bankers.

111.6.4 The Shareholders and the Company will take all such steps, and extend all such co-operation to each other and the lead merchant bank, underwriters and others as may be required for the purpose of completing the IPO, in accordance with the provisions of Applicable Law.

111.6.5 Notwithstanding anything to the contrary in these Articles, upon the successful completion of the IPO, any and all rights of the Investor under these Articles including the exit rights set out under Article 111 shall fall away and cease to have effect immediately and automatically (without any further action or deed).

#### **111.6.6 Co-operation for IPO**

The Promoter shall take all actions as may be reasonably required for the achievement of IPO of the Company including executing additional undertaking and confirmations and voting in favour of relevant resolutions. Each Investor agrees to exercise its voting rights in favour of any resolution approving an IPO proposed by the Company in accordance with these Articles (including amendment to the Charter Documents necessary for compliance with Applicable law) and to provide representations and warranties in relation to the title to any Equity Shares being sold by such Investor in such IPO. No Investor shall be obliged to make any other representations or warranties in connection with an IPO, other than in respect of accuracy of information in relation to an Investor provided by such Investor and Investor's title to the respective Investor Shares being offered.

#### **111.6.7 Indemnification**

To the extent permitted by Applicable Law, the Company shall indemnify and hold harmless each Investor, and each of its respective officers, directors, employees and consultants, and legal advisers from and against any loss, claim or liability (and any actions, proceedings or settlements in respect thereof) arising out of or based on: (i) any untrue statement of a material fact contained in any prospectus, offering circular, or other offering document relating to any IPO; (ii) any failure to state therein a material fact necessary to make the statements therein not misleading; and (iii) any violation of Applicable Law (including but not limited to, securities laws and exchange requirements applicable to any IPO or subsequent public offerings), provided that any untrue statement as per (i) above does not arise out of information in relation to any Investor that has been provided by such Investor or any failure to state therein a material fact; and as per (ii) above does not arise due to any information withheld by such Investor.

#### **111.6.8 Investors not to be Deemed Promoters**

Subject to Applicable Law, the Parties agree that none of the Investors shall be deemed to be a promoter of the Company for the purpose of any IPO or subsequent public offering and none of the Equity Shares and Share Equivalents held by any of the Investors shall be subject to any statutory or regulatory moratorium imposed upon promoters in connection with such IPO or subsequent public offering, and no declaration or statement shall be made that may result in any of the Investors being deemed a promoter, either directly or indirectly, in filings with any Authority, offer documents or otherwise, with a view to ensuring that restrictions under Applicable Law relating to promoters do not apply to the Investors, each of which is a financial investor in and not a promoter of the Company.”

- 111.7 111.7.1. Subject to Article 111.2 (Right of First Offer) and the terms herein, if the Company has not undertaken necessary steps towards consummation of the IPO in accordance with these Articles and a draft red-herring prospectus has not been filed in respect thereto by the expiry of thirty (30) months from the Relevant Date, the Investors (the "**Exiting Investors**") shall have the right to issue a written notice to the Company ("**Third Party Sale Notice**") to initiate a process to identify a suitable buyer for all or a portion of the respective Investor Shares of each Investor, at its option (the "**Exit Shares**"). Upon receipt of the Third Party Sale Notice, if necessary, the Company shall engage a merchant bank to identify a suitable buyer for all or a portion of the Exit Shares (a "**Third Party Sale**"). Investor Third Party Sale
- 111.7.2 The Third Party Sale Notice from an Exiting Investor shall specify the number of Equity Shares and/or Share Equivalents the Exiting Investor wishes to sell. A Third Party Sale may be structured as a sale of the Exit Shares to other shareholders of the Company or to such Third Parties acceptable to the Exiting Investors that the Exiting Investor/s or the Company or the merchant bank may identify. Notwithstanding anything contained in these Articles, the Company and the Promoter shall have the right to facilitate the Investors an exit by way of a Third Party Sale at any point in time, subject to the underlying terms of the Third Party Sale being acceptable to the Investors. It is hereby clarified that any rejection or non-participation by any Investor in any Third Party Sale shall not dilute any other exit rights available such Investor under these Articles.
- 111.7.3 Transfer by the Investor shall be subject to the provisions of Article 111.3 (Transfers by Investors). The costs of the vendor due diligence, if any, shall be borne by the Company. The costs of any merchant bankers, consultants or advisors appointed by the Investors shall be borne solely by the Investors.
- 111.7.4 If reasonably necessary for the completion of the Third Party Sale, the Company agrees in good faith that it shall provide such customary representations, warranties and corresponding indemnities with respect to the operations of the Company, as may be reasonably requested by such third-party purchaser, subject to customary limitations and qualifications. Provided however, none of the Investors shall be required to make any business related representations and warranties, provide any covenants or undertakings, grant any indemnifications (in relation to such business related representations and warranties) (other than fundamental representations (with corresponding indemnities subject to customary limitations and qualifications) relating to the

clear and marketable title of the Investor Shares held by the relevant Investor and due authority and capacity to hold and Transfer the said Investor Shares in such sale).

111.8. 111.8.1. Upon occurrence of a Put Option Trigger Event and there being no ongoing Third Party Sale process: Put Option

- (a) each Investor shall have the right, but not an obligation, to deliver a written notice (“Put Option Notice”) to the Promoter, only within the Put Option Exercise Period and not thereafter, informing the Promoter that it wishes to sell all but not less than all of the Investor Shares then held by it (“Put Option Shares”) to the Promoter or any Identified Person (“Put Option”); and
- (b) the Promoter or any Identified Person shall purchase the relevant Put Option Shares at the Put Option Price. It is hereby clarified that the Put Option as available to the Investors under these Articles is in addition to, and not in derogation of all other rights and remedies available to each Investor under Applicable Law.

111.8.2 The Parties hereby agree that the Investors shall have the right to issue the Put Option Notice at any time only during the relevant Put Option Exercise Period and not anytime thereafter, provided however that the Investors cannot issue a Put Option Notice in case Third Party Sale process is on-going. For the purpose of this Article 111.8, ongoing Third Party Sale process shall mean that the Investor has provided a Third Party Sale Notice and has not withdrawn it in writing before providing a Put Option Notice. For the avoidance of doubt, an Investor shall have the right to provide a Put Option Notice at any time after the occurrence of a Put Option Trigger Event and during the Put Option Exercise Period but not thereafter, subject to it withdrawing the Third Party Sale Notice in case such notice has been served by such Investor.

111.8.3 Subject to the Applicable Law and Article 111.8.4 below, the price (“**Put Option Price**”) payable by the Promoter or any Identified Person for the Put Option Shares shall be the Fair Market Value of the Put Option Shares as certified by a Valuer.

#### 111.8.4 Procedure for Valuation

- (a) In the event of an Investor exercising the Put Option right under these Articles, within ten (10) days of the issuance of the Put Option Notice, the Promoter and the relevant Investors shall jointly appoint Valuer to determine the Fair Market Value of the Put Option Shares. It is clarified that the Valuer shall be acting as an independent and neutral expert.
- (b) Within forty (40) days of the issuance of the Put Option Notice, the Company shall and the Promoter shall cause the Company to provide a valuation business plan of the Company as approved by the Board (including a majority of the Independent Directors) to the Valuer. A copy of such valuation business plan shall also be delivered to each Investor that has exercised the Put Option. It is hereby clarified that for purposes of this Article 111.8.4(b), the Investor Directors shall be deemed to be Independent Directors and shall be included in order to determine whether a majority of Independent Directors have approved the valuation business plan.



- (c) Each of the Company and the Promoter unconditionally and irrevocably agrees that the Valuer shall determine the Fair Market Value on the basis of the Valuation Business Plan delivered by the Company pursuant to this Article 111.8, the most recent financial statements, industry/market information and comparable, and such other information and clarifications as may be deemed necessary, appropriate or advisable by the Valuer for the purposes of determining the Fair Market Value of the Put Option Shares (“**Additional Information**”). The Company and the Promoter shall promptly deliver, or cause to be delivered, such other Additional Information as may be required by the Valuer provided that any such Additional Information shall also be provided to each Investor that has exercised the Put Option. Further, each Investor shall have the right to hold meetings with the Valuer and provide/seek inputs in respect of the Valuation Business Plan and/or the Additional Information. The Company and the Promoter shall take all steps within their control to ensure that the Fair Market Value is determined within thirty (30) days of the delivery of the Valuation Business Plan. The Fair Market Value determined by the Valuer shall be final and binding on all Parties.
- (d) The fees, costs and expenses of the Valuer shall be borne by the Company.
- (e) Notwithstanding anything to the contrary in these Articles, no party to the Shareholders Agreement shall be construed or deemed to be in breach of any confidentiality or non-disclosure requirements under these Articles or any other agreement executed by or exchanged between any or all parties hereto on account of such party providing any information or documents to the Valuer, including the valuation business plan or Additional Information, in accordance with this Article 111.8.4.
- 111.8.5. Subject to Applicable Law, upon the receipt of the Put Option Notice by the Promoter during the Put Option Exercise Period, the Promoter shall be under an obligation to purchase the Put Option Shares from the Investors delivering the Put Option Notice (“**Exercising Investor**”), either by itself or through Identified Person, at the Put Option Price.
- 111.8.6 Completion of the Transfer of Put Option Shares by the Exercising Investor to the Promoter or any Identified Person (as the case may be) shall take place on the first Business Day after the expiry of sixty five (65) days from the date of determination of the Fair Market Value of the Put Option Shares by the Valuer unless the Promoter and the Exercising Investor mutually agree otherwise (such date of completion, the “**Settlement Date**”).
- 111.8.7 On the Settlement Date, each Exercising Investor shall deliver to the Promoter or any Identified Person (as the case may be) the Put Option Shares (free of all Encumbrances and any other rights of third parties, except in accordance with any provision of these Articles). For the purposes of the completion of such Transfer of Put Option Shares, the Exercising Investor shall deliver duly executed delivery instruction slips for such Put Option Shares, instructing the depository participant to Transfer such Put Option Shares in favour of the Promoter or any Identified Person (as the case may be). The Put Option Shares shall be free and clear of any Encumbrance and any other rights of third parties (except in accordance with any provision of these Articles) and the Exercising Investor shall expressly represent and warrant to

that effect and also warrant that it is the sole beneficial and legal owner of the Put Option Shares and no Encumbrance is created on the Put Option Shares. The Promoter or any Identified Person (as the case may be) shall, simultaneously, deliver at such completion, payment in full of the Put Option Price net of withholding taxes as per Applicable Law, in connection with the Transfer of Put Option Shares. At such completion, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the Transfer of Put Option Shares to the Promoter or any Identified Person.

- 111.8.8 Each Exercising Investor shall be entitled to any dividends, distributions or return of capital relating to the Put Option Shares that were declared or otherwise had a record date on or before the Settlement Date to the extent such dividends, distributions or return of capital were not factored in for valuation/determination of Fair Market Value for purposes of the Put Option Price.
- 111.8.9 Notwithstanding anything to the contrary, within 7 (seven) Business Days of determination of the Fair Market Value by the Valuer, any Investor that has exercised the Put Option shall have the right, at its discretion, to withdraw the Put Option Notice. It is clarified that such Investor shall not have the right to re-exercise such Put Option and it shall be deemed that a Non-Exercise Event has occurred in relation to such Investor for purposes of these Articles.
- 111.8.10 The obligations of the Promoter hereunder are irrevocable and shall not be terminated, suspended or affected in any manner by the deterioration of the Promoter's/Company's financial situation, the interruption of the Promoter's/Company's operations, the insolvency of the Promoter/Company, the filing of any bankruptcy proceeding or any similar proceeding by or against the Promoter/Company or any other circumstances whatsoever.
- 111.8.11 The Promoter shall take all such action and do, perform, execute and deliver, in a due and expeditious manner, all acts, deeds and documents as shall be necessary from time to time to cause the effective performance of the Promoter's obligations, including voting or providing a written consent with respect to any of the voting shares, rights or interests of the Company in order to adopt or reject any corporate or shareholder resolutions necessary to effect the provisions of these Articles and making, or causing to be made, all governmental, regulatory and administrative filings with any appropriate Authority, and undertaking all other procedures or formalities, as required to effect the provisions of these Articles. Further, the Company shall take all such action and do, perform, execute and deliver, in a due and expeditious manner, all acts, deeds and documents as shall be necessary from time to time to cause the consummation of the transactions contemplated under these Articles. The Investors shall cooperate with the Promoter and take all actions as may be reasonably required and within their control to ensure completion of the relevant Put Option.
- 111.8.12 The Promoter and/or the Company undertake that upon the occurrence of a Put Option Trigger Event, they shall immediately (but no later than five (5) Business Days from the

date of such occurrence), inform the Investor of such occurrence, including providing all relevant details of such event.

- 111.8.13 Without prejudice to the remedies available to the Investors under these Articles or otherwise, if the Promoter fails to make payment of the applicable consideration by the Settlement Date as specified pursuant to these Articles, then the Promoter shall pay to each Investor, in Rupees on demand, at a bank account designated by each Investor, a late payment charge which will accrue at a rate per annum of 300 bps above the Prime Lending Rate of the State Bank of India on the amount required to be paid to the Investors under Article 111.8, such late payment charge to accrue daily from (and including) the Settlement Date until (but excluding) the date the Put Option Price is paid in full prorated on the basis of a 360-day year for the actual number of days elapsed. If pursuant to a default as described under this Article 111.8.13, the Investor Transfers the Put Option Shares to a third party, then the default interest as specified in this Article 111.8.13 shall cease to accrue with effect from the date of such Transfer.”

### PRE-EMPTIVE RIGHTS

- 112.1 (a) Save as exempted under Article 112.2 below, in the event the Company is desirous of issuing any Equity Securities ("**New Securities**") by way of preferential allotment other than to a Strategic Investor ("**New Issuance**"), then subject to Applicable Law, each of the Investors, the Promoter and the other shareholders of the Company (each a "**New Issuance Offeree**") shall have a right, to subscribe to the New Issuance ("**Pre-emptive Right**") in proportion to their shareholding in the Company on an As-if-Converted Basis and Fully Diluted Basis at the time of such New Issuance. Anti– Dilution
- (b) The Pre-emptive Right shall be offered by the Company by issuing a written notice to each of the New Issuance Offerees ("**Issuance Notice**") setting forth in detail the terms of the New Issuance, including the New Issuance price ("**Issuance Price**"), the proposed date of closing of the New Issuance and the number of New Securities proposed to be issued ("**Issuance Shares**").
- (c) If a New Issuance Offeree wishes to exercise its Pre-emptive Right ("**Accepting Offeree**"), then the Accepting Offeree shall inform the Company in writing within a period of thirty (30) days from the date of the Issuance Notice ("**Subscription Period**") that it wishes to exercise its Pre-emptive Right and the number of Issuance Shares in respect of which it wishes to exercise its Pre-emptive Right ("**Accepting Offeree Shares**"). Thereafter on the closing date for the New Issuance, each Accepting Offeree shall pay for and subscribe to the relevant Accepting Offeree Shares at the Issuance Price and on the terms and conditions set out in the Issuance Notice. Subject to the receipt of the payment against exercise of the Pre-emptive Right by each Accepting Offeree, the Company shall allot and issue the relevant Accepting Offeree Shares to each such Accepting Offeree on the date of closing of the New Issuance as stated in the Issuance Notice. If after the expiry of Subscription Period, any portion of the New Issuance offered to the New Issuance Offeree remains unsubscribed for any reason ("**Unsubscribed Portion**"), the Company shall offer such Unsubscribed Portion to the Accepting Offerees ("**Subsequent New Issuance Offeree**") at the Issuance Price and on the same terms as the terms mentioned in the Issuance Notice within ten (10) days of the

expiry of the Subscription Period and shall issue and allot the relevant portion of the Unsubscribed Portion of the Issuance Shares to the Subsequent New Issuance Offeree/s within ten (10) days of receiving a written notice of acceptance from the relevant Subsequent New Issuance Offeree/s in this regard, provided such written notice of acceptance has been received by the Company from the relevant Subsequent New Issuance Offeree/s within ten (10) days of such Unsubscribed Portion being offered to the Subsequent New Issuance Offeree. Where the acceptances from the Subsequent New Issuance Offerees for the Unsubscribed Portion are in excess of the Unsubscribed Portion, such Unsubscribed Portion shall be allocated to the relevant Subsequent New Issuance Offerees (who have delivered the notice of acceptance within the stipulated time period) pro rata to their inter-se shareholding.

- (d) In the event that any portion of the Issuance Shares remains unsubscribed after due completion of the above procedure as provided in Article 112.1(a) to Article 112.1 (c), then the Board shall have the discretion to allot such shares to any Third Party, on terms that are the same (or in any event, not more favourable than) as set forth in the Issuance Notice, provided, however, that such Third Party is not the Promoter or an Affiliate of the Promoter and the identity of such proposed Third Party shall be duly disclosed to the Investors at least fifteen (15) days prior to such issuance and allotment.
- (e) Subject to Article 112.3, each of the Investors and the Promoter hereby acknowledge that their respective shareholding shall be diluted if any of the Investors or the Promoter fails to exercise its Pre-emptive Right for the maximum number of New Securities to which it is entitled hereunder or fails to subscribe to such New Securities in accordance with Article 112.1.
- (f) The Company shall not issue any New Securities under this Article 112.1 and no Issuance Notice will be issued under Article 112.1 (b) if the Investors have objected to such issuance in accordance with Article 92.3. In case, the Investors have not objected to issuance of such New Securities as above, then the Company shall be free to issue and allot such New Securities as per this Article 112.1 (including issuance and allotment of Unsubscribed Portion to Third Party).

112.2 The Promoter and the Investors shall not be entitled to any Pre-emptive Right as set out in this Article 112 in the following cases: Exceptions to Pre-emptive Right

- (a) Issue of Equity Securities in accordance with the ESOP Plan;
- (b) Issue of Equity Shares pursuant to IPO;
- (c) Issue of Equity Securities to a Strategic Investor and conversion thereof (if applicable);
- (d) Issue of New Securities by way of bonus issues, stock split, consolidation, subdivision or other share reorganisation;
- (e) Issue of New Securities by way of rights issue, merger, demerger, amalgamation or other similar corporate action;
- (f) Conversion or exercise of any outstanding Share Equivalents as of June 12, 2012 and that have been duly disclosed to the Investors prior to the IFC Subscription or the NJBIF Subscription or conversion of the Share Equivalents issued pursuant to Schedule 1 of these Articles; or

- (g) Issuance of any shares to any Investor pursuant to any adjustment mechanism implemented pursuant to Article 112.3 (b).

For the avoidance of doubt, it is hereby clarified that in certain such events as described above (i.e., pursuant to the events listed at Article 112.2 (a), 112.2 (c) and Article 112.2(g), shareholding of the Investors, Promoters and any other shareholder of the Company may stand diluted to the extent of such issuance (further such dilution may also occur pursuant to the events listed at Article 112.2 (b) and rights issues under Article 112.2 (e) above).

- 112.3 (a) Save as provided hereinafter and Article 112.3 (c), the terms and conditions of any offer of New Securities to any Person, including those relating to exit rights, affirmative rights, anti-dilution rights and obligation for offer for sale in an IPO shall not be more favourable than the rights of the Investors under these Articles. In the event more favourable terms relating to such rights, are to be offered to any Person (including to any Investor), such favourable terms and conditions shall also be extended to the Investors.

Terms and Conditions  
of New Securities

- (b) If the issuance of any New Securities by the Company is at a price lower than the Investor Entry Price Per Share paid by any Investor ("**Diluted Investor**") (it being agreed that if any CCPS are outstanding at time of such New Issuance, the relevant price applicable to the CCPS for purpose of Article 112.3 (b) and Article 112.3 (c) shall be the Reference Price), then such issuance of New Securities shall be completed only if the Company is able to implement such mechanism that is permitted by Applicable Law and is reasonably acceptable to such Diluted Investor and which suitably adjusts the Investor Entry Price Per Share for such Diluted Investor downwards to the price at which the New Securities are proposed to be issued. If (A) the Company is unable to make such downward adjustment in price for the benefit of the Diluted Investor for any reason or (B) in the reasonable opinion of any of the Diluted Investors, the proposed mechanism would be contrary to any requirement or provision of Applicable Law, then such proposed issuance of New Securities to a Third Party by the Company may be undertaken by the Company only upon obtaining the prior written consent of each such Diluted Investors (which shall not be unreasonably withheld).

It is hereby clarified that the provisions of Article 112.3 (b) shall not apply to any issuance of Equity Shares specified in Article 112.2 (a), Article 112.2 (b), Article 112.2 (d), Article 112.2 (f) or Article 112.2 (g). It is hereby further clarified that for the purpose of computation of Investor Entry Price Per Share for the purpose of the Articles 112.3 (b) and 112.3 (c), the Equity Securities already issued to the relevant Investors under Article 112.3 (b) or Article 111.5 (a) (ii) shall not be considered.

- (c) The provisions of Article 112.3 (a) shall not apply to issuance of New Securities to a Strategic Investor and the Company may offer to the Strategic Investor terms and conditions more favourable than those offered to the Investors other than in respect of Issuance Price of New Securities. However, if the issuance of New Securities to a Strategic Investor by the Company is at a price lower than the Investor Entry Price Per Share, then provisions of Article 112.3 (b) shall apply mutatis mutandis.

- (d) If the Company makes an issuance of any Equity Securities to a Strategic Investor and if such Strategic Investor wishes to Transfer any such Equity Securities prior to an IPO or prior to the Investor Exit Date, then:
- (i) such exit shall not be provided by the Company and the Company shall not bear any costs in relation to the same;
  - (ii) such exit shall not be facilitated by the Company except for the limited purposes of due diligence or provision of information that is in relation to such proposed Transfer; and
  - (iii) such Transferring Strategic Investor shall not Transfer any of the rights provided to it (which are preferential to the rights of the Investors under the Transaction Documents) unless the Transferee is another Strategic Investor.

The provisions of this Article 112.3 (d) shall not apply if a Non-Exercise Event occurs in relation to all Investors.

### **INFORMATION, REPORTING AND INSPECTION RIGHTS**

113.1 (a) **Annual Business Plan**

No later than sixty (60) days after commencement of each Financial Year or the meeting of the Board approving the annual Business Plan (whichever is earlier), the Company shall prepare and submit to the Investors the annual Business Plan duly approved by the Board. The annual consolidated Business Plan of the Company and its Key Subsidiaries and Key Joint Ventures shall be approved by the Board annually and updated / revised at the time of approving any (a) expansion other than any capital/debt expansion (not already provided for in the annual Business Plan) to the extent of an aggregate of Rupees Ten Crores (Rupees 100,000,000) in a Financial Year; and (b) operating expenses (not already provided for in the annual Business Plan) to the extent of an aggregate of Rupees Two Crores (Rupees 20,000,000) in a Financial Year. The annual Business Plan shall comprise the annual operating and strategic plan, which shall also include an annual operating budget (including capital expenditure budgets) of the Company and its Key Subsidiaries and Key Joint Ventures, business strategy, project details (including project cost), means of finance, and projected Financial Statements (including profit & loss account, balance sheet and cash flow statements), and would form the basis of management of the Company Business and the business of the Key Subsidiaries and Key Joint Ventures until such time that the same is duly updated/revised with the consent of the Board. Any updated or revised Business Plan shall be delivered to the Investors within ten (10) days of approval of the Board of such updated/revised plan. The Company shall conduct, and shall procure that each of its Key Subsidiaries and Key Joint Ventures shall conduct their respective businesses in accordance with the applicable annual Business Plan.

Financial Information  
and Records

(b) **Auditor**

The Company shall always retain a Big Four accounting firm acceptable to the Investors as the statutory auditors of the Company and its Key Subsidiaries.

(c) **Information Rights**

Until the closing of an IPO, the Company shall deliver to each Investor:

- (i) audited annual Financial Statements of the Company as soon as they become available but in any event within sixty (60) Days after the end of each Financial Year on a consolidated and an unconsolidated basis and for each of its Key Subsidiaries and Key Joint Ventures along with a consolidating statement, and a copy of all management letters delivered by the Auditors to the Company (if any), provided that: in the event that the Company is unable to prepare such Financial Statements within the period described above, due to circumstances beyond the Company's control, then in such event the Company shall provide the Financial Statements that have undergone limited review by the Auditor within such sixty-day period as prescribed above (and shall provide the audited annual Financial Statements as soon as they are approved by the Board);
- (ii) limited review quarterly Financial Statements of the Company as soon as they are approved by the Board but in any event within sixty (60) Days of the end of each fiscal quarter on a consolidated and an unconsolidated basis and for each of its Key Subsidiaries and Key Joint Ventures;
- (iii) monthly management information system (MIS) reports of the Company as soon as they become available but in any event within twenty (20) days after the end of each calendar month;
- (iv) quarterly reports on the number of Equity Securities of the Company pledged by Promoter or any Affiliate of the Promoter or the Company;
- (v) irrevocably authorize, the Auditors, from time to time, (whose fees and expenses for such purposes shall be for the account of the Company) to communicate directly with each of the Investors at any time regarding the Company's financial statements (including audited statements as well as those having undergone limited review by the Auditors), accounts and operations, and provide each Investor a copy of that authorization;
- (vi) no later than thirty (30) days after any change in Auditors, issue a similar authorization to the new Auditors and provide a copy thereof to each Investor; and

113.2 Until the closing of an IPO, each of the Investors and the Promoter shall have the right, whether alone or with such legal, accounting or other professional advisers, as it may deem appropriate (provided that each such Investor shall bear the cost of visit and inspection by itself and/or its respective advisors), to visit and inspect the properties of the Company and its Key Subsidiaries, including its corporate and financial records, at such reasonable times and as often as it may reasonably request following the provision of reasonable notice to the Company, to examine and take copies or abstracts of the books and records of the Company and its Key Subsidiaries, and to discuss the business and the finances of the Company and its Key Subsidiaries with their respective officers. However, it is hereby clarified that in the event any copies or abstracts of the books and records of the Company or its Key Subsidiaries are provided to Investor/its advisers pursuant to this Article 113.2, the Investors shall be to be bound and shall cause its advisers to be

Inspection Rights

bound by the confidentiality obligations as agreed by and among the Company, Investors and the Promoter in a separate agreement in writing relating to governance, shareholder rights and obligations of the Company in respect of such copies and abstracts.

- 113.3 If the Company and/or the Promoter is proposing to enter into or modify any arrangements with any one or more of the Investors pertaining to any Equity Shares/Equity Securities held or proposed to be acquired by such Investor (in circumstances where all Investors are not proposed to be parties to such arrangements) the Company shall duly inform each of the other Investors (that are not entering into such arrangement) of such proposed arrangements and unless otherwise agreed by the other Investors, the provisions of Article 112.3 (a) shall apply. Separate Arrangements with Investors
- 113.4 The Company shall on a quarterly basis place reports before the Board at meetings of the Board from duly qualified officers of the Company appointed for this purpose, certifying compliance by the Company and each of its Key Subsidiaries with all Applicable Laws (including but not limited to compliance with Applicable S&E Laws and all labour laws by the Company and the Key Subsidiaries). Compliance Reports
- 113.5 The Company shall inform the Investors of the appointment and removal of any of the Key Personnel of the Company and/or any of its Key Subsidiaries and/or Key Joint Ventures within ten (10) days of such appointment/removal. Key Personnel
- 113.6 The Company shall promptly inform the Investors of: Notification
1. any material contravention of any Applicable Law by the Company and/or any of its Key Subsidiaries and/or Key Joint Ventures on a quarterly basis;
  2. any event that can reasonably be expected to have a Material Adverse Effect on the condition of the Company or any of its Key Subsidiaries and Key Joint Ventures (including labour strikes, fires and technical outage) together with a description of the event and its likely effect; and
  3. all details of any litigation, arbitration or other proceedings commenced against the Company or any of its Key Subsidiaries and Key Joint Ventures where the claim amount is greater than INR 10,000,000 (Rupees Ten Million).
- 113.7 The Company shall promptly inform the Investors: Insolvency
- (a) if the Company and/or any of its Key Subsidiaries and/or Key Joint Ventures have received any notice of any winding up petition having been made or any statutory notice of winding up under the provisions of the Companies Act, 1956 or if a receiver is appointed for any of its properties or business or undertaking; and
  - (b) of the happening of any labour strikes, lockouts, shutdowns or fires which have and/ or are likely to have a Material Adverse Effect on the (i) Company and/or (ii) profits or business of any of its Key Subsidiaries or Key Joint Ventures, with an explanation or the reasons therefor.

#### 114 **COMPANY AND PROMOTER OBLIGATIONS**

- 114.1. The Promoter shall vote all of its Equity Shares and shall exercise all of its rights and powers as a member of the Company, and shall Exercise of rights



cause all Directors under its control or influence to vote and to exercise all of their rights and powers as Directors, so as to give effect to the provisions of, and to comply and to cause the Company to comply with their respective obligations under these Articles.

114.2.1. Subject to Article 114.2.3, the Promoter hereby covenants with the Company and the Investors that it shall not and ensure that its Affiliates shall not, during the Term of the Shareholders Agreement, be engaged or interested in, or carry on the Company Business in India, directly or indirectly, through any entity other than the Company or its Subsidiaries. During the Term of the Shareholders Agreement, acquisition of any entity engaged in Company Business in India or development of any business competing with the Company Business by the Promoter (and/or its Affiliates) shall be done exclusively through the Company or its Subsidiaries. The Promoter shall be entitled to carry on, whether directly or indirectly, through any entity, the Company Business outside India, without any restriction, provided, however, that the Promoter shall not vote in favour of any matter as a shareholder in the Company or at any meeting of the Board that will restrict the Company Business outside India. Non-Compete

14.2.2. Notwithstanding the provisions of Article 114.2.1 and subject to Article 114.2.3, the Promoter and/or its Affiliates can continue to provide pathology, radiology and diagnostic services that are presently exclusively provided within the hospital and/or any other ambulatory care premises operated by the Promoter and/or Affiliates. It is hereby agreed that any third-party service provider engaged by Promoter and /or its Affiliates for this purpose shall not include IHH or any of its Affiliates (other than the Promoter or Affiliates Controlled by the Promoter).

14.2.3. For purposes of this Article 114.2, Affiliates of the Promoter shall not include IHH or any of its Affiliates (other than the Promoter or Affiliates Controlled by the Promoter).”

114.3. All agreements and transactions between the Company, its Key Subsidiaries and Key Joint Ventures and any and all Persons including those with Related Parties shall be on an arms length basis and notice of all agreements and transactions between the Company, its Key Subsidiaries and Key Joint Ventures with Related Parties, with the complete terms of each such transaction shall be provided to the Investors and the Investor Directors within ten (10) days of submitting the same to the Audit Committee and in the same format as provided to the Audit Committee. All agreements and transactions with Related Parties shall be reported to the Board on a quarterly basis. Related Parties

115 **INVESTORS OBLIGATIONS**

115.1 The Investors shall not take any actions that are inconsistent with these Articles. Actions by Investors

115.2 1. NJBIF and Resurgence shall not, and shall cause their Subsidiaries and any special purpose vehicles set up by them, to not invest in any Person engaged in any Competing Business directly or through its subsidiaries. Right to Invest

If the annual consolidated revenues of the Company from the business of contract research (as carried on by the Company from time to time) becomes equal to or greater than thirty three percent (33%) of the annual consolidated revenues of the Company at the time of a proposed investment by NJBIF and/or Resurgence, then such contract research business will be deemed to be included within the scope of "Competing Business" for purposes of this Article 115.2. Any investment already made prior to such time by NJBIF and/or Resurgence in any entity engaged in contract research shall not be affected by this paragraph.

Provided that, notwithstanding that the revenues of the Company from contract research are below the level stipulated in the preceding paragraph, if either of Resurgence or NJBIF make any investment in any other Person conducting such business of contract research, then such Investor shall ensure that any person nominated by it as an Investor Director pursuant to these Articles is not a director of such other Person or its Affiliates.

2. Notwithstanding anything to the contrary, for purposes of this Article 115.2, a Person shall be construed as being engaged in a Competing Business only if the revenues of such Person and its Affiliates from Competing Business constitutes at least 20% of the consolidated total revenues of such Person and its Affiliates.
3. IFC and/or their respective Affiliates may invest from time to time, in any Person engaged in Competing Business, provided that any information of the Company and/ or its business and of Company's Affiliates received by IFC and/or its Affiliates, as the case may be, shall not be shared with such Person (engaged in a Competing Business) or its representatives, without the prior written consent of the Company.

#### **OVERRIDING ARTICLES**

- 116
1. In the event of any inconsistency between the provisions of the Overriding Articles and any other provisions of these Articles, the terms of the Overriding Articles shall apply.
  2. The Overriding Articles shall terminate upon the occurrence of any of the following events:
    - (a) the voluntary or involuntary liquidation, dissolution or winding up of the Company; or
    - (b) completion of an IPO, as per Applicable Law and accepted practice of SEBI and the relevant stock exchanges, provided, however, that subject to Applicable Law, the policy and policy reporting covenants contained in a separate agreement relating to governance and shareholder rights and obligations of the Company by and among the Company, Promoter and the Investors hereof shall continue to apply till such time IFC holds any Equity Shares in the Company. As of the Effective Date, such shareholder agreements/arrangements are required to be suspended at the time of filing of the draft red herring prospectus and stand terminated automatically upon the due consummation of an IPO.
  3. The provisions of the Overriding Articles shall notwithstanding anything to the contrary in these Articles, not apply to any Equity Securities held by any Investor other than the Investor Shares.

## SECTION X – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be deemed material, have been entered or are to be entered into by our Company will be attached to the copy of the Red Herring Prospectus to be filed with the RoC. Copies of the contracts and also the documents for inspection referred to hereunder may be inspected at our Registered Office, from 10.00 a.m. to 5.00 p.m. on Working Days and will also be available on the website of our Company at <https://agilusdiagnostics.com/investors/draft-red-herring-prospectus-and-related-documents> from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such documents or 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 of the provisions contained in the Companies Act and other applicable law.

#### Material contracts for the Offer

1. Offer Agreement dated September 29, 2023, entered into between our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated September 29, 2023 entered into between our Company, the Selling Shareholders and the Registrar to the Offer.
3. Cash Escrow and Sponsor Banks Agreement dated [●] entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the Syndicate Members, the BRLMs and the Banker(s) to the Offer.
4. Share Escrow Agreement dated [●] entered into between the Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate Agreement dated [●] entered into between our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar to the Offer.
6. Underwriting Agreement dated [●] entered into between our Company, the Selling Shareholders and the Underwriters.

#### Material documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company, as amended from time to time.
2. Certificate of incorporation dated July 7, 1995, under the name “Specialty-Ranbaxy Private Limited” issued by the Registrar of Companies, N.C.T. of Delhi and Haryana.
3. Fresh certificate of incorporation dated December 13, 2002, pursuant to change in name of our Company from “Specialty-Ranbaxy Limited” to “SRL Ranbaxy Limited” issued by the Registrar of Companies, NCT of Delhi and Haryana.
4. Fresh certificate of incorporation dated August 28, 2008, pursuant to change in name of our Company from “SRL Ranbaxy Limited” to “Super Religare Laboratories Limited” issued by the Registrar of Companies, NCT of Delhi and Haryana.
5. Fresh certificate of incorporation dated July 6, 2012, pursuant to change in name of our Company from “Super Religare Laboratories Limited” to “SRL Limited” issued by the Registrar of Companies, NCT of Delhi and Haryana.

6. Fresh certificate of incorporation dated May 31, 2023, pursuant to change in name of our Company from “SRL Limited” to “Agilus Diagnostics Limited” issued by the RoC.
7. Resolution of the Board of Directors dated August 4, 2023 authorising the Offer and other related matters.
8. Resolutions of the board of directors and shareholders of our Promoter dated August 4, 2023 and September 7, 2023 respectively authorising the initiation of the Offer process and other related matters.
9. Resolution of the IPO Committee dated September 29, 2023 taking on record the approval for the Offer for Sale by the Selling Shareholders.
10. Resolution of the Board of Directors of our Company dated September 25, 2023, approving this Draft Red Herring Prospectus.
11. Resolution of the IPO Committee dated September 29, 2023, approving this Draft Red Herring Prospectus.
12. Share Purchase Agreement dated March 24, 2021, by and between DDRC Agilus Pathlabs Limited, certain individual sellers and our Company.
13. Share Sale and Purchase Agreement dated June 30, 2016, by and between Fortis Healthcare International Pte. Limited, Agilus Diagnostics FZ LLC and our Company.
14. Share Subscription Agreement dated June 12, 2012 by and between International Finance Corporation, NYLIM Jacob Ballas India Fund III LLC, Avigo PE Investments Limited (now known as Resurgence PE Investments Limited), Spring Healthcare India Trust, Spring Healthcare (P) Limited, Sabre Capital (Mauritius) Limited, Fortis Healthcare Limited and our Company.
15. Shareholders’ agreement dated June 12, 2012, by and between the IFC, NJBIF, Resurgence, Spring Domestic, Spring Offshore, SCML, the Promoter and the Company, the amendment to the shareholders’ agreement dated March 30, 2021 and the waiver cum amendment agreement to the shareholders’ agreement dated September 29, 2023.
16. Joint Venture Agreement dated April 23, 2009 by and between Life Care Services Private Limited and our Company read with the amendment agreement dated November 19, 2010, the addendum dated September 25, 2011 (“Addendum”) and the amendment to the Addendum dated March 12, 2015.
17. Consent letters from the each of the Selling Shareholders in relation to the Offer for Sale.
18. Consent dated September 23, 2023 from CRISIL to rely on and reproduce part or whole of the report, “Assessment of the diagnostics industry in India” dated September 2023 and include their name in this Draft Red Herring Prospectus.
19. Industry report titled “Assessment of the diagnostics industry in India” dated September 2023, issued by CRISIL MI&A which is commissioned by our Company and paid for by our Company on behalf of the Selling Shareholders pursuant to an engagement letter dated June 16, 2023, exclusively in connection with the Offer.
20. Tripartite agreement dated April 15, 2009, amongst our Company, NSDL and the Registrar to the Offer.
21. Tripartite agreement dated March 2, 2009, amongst our Company, CDSL and the Registrar to the Offer.
22. Consent from the Statutory Auditors dated September 28, 2023, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as statutory auditor and in respect of the: (i) examination report dated September 25, 2023 on our Restated Consolidated Financial Information, and (ii) report dated September 28, 2023, on the statement of possible special tax benefits and included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this DRHP. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

23. The examination report dated September 25, 2023 of the Statutory Auditors on our Restated Consolidated Financial Information.
24. The report on the statement of possible special tax benefits dated September 28, 2023 from the Statutory Auditors.
25. Certificate dated September 29, 2023, from the Independent Chartered Accountant certifying our key performance indicators.
26. Copies of annual reports of our Company for the preceding three Fiscals i.e., Fiscals 2021, 2022 and 2023.
27. Consent of our Directors, our Company Secretary and Compliance Officer, legal counsels appointed for the Offer, Bankers to our Company, the Book Running Lead Managers, Registrar to the Offer, Syndicate Members, Public Offer Account Bank, Sponsor Bank(s), Escrow Collection Bank(s) and Refund Bank(s) to act in their respective capacities.
28. Due diligence certificate dated September 29, 2023, addressed to SEBI from the BRLMs.
29. SEBI observation letter bearing reference no. [●] and dated [●].

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Ravi Rajagopal**

Chairman and Independent Director

**Date:** September 29, 2023

**Place:** London

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Anand Kuppuswamy**

Managing Director and Chief Executive Officer

**Date:** September 29, 2023

**Place:** Chennai

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Dr. Ashutosh Raghuvanshi**

Non-Executive Director

**Date:** September 29, 2023

**Place:** Gurgaon



## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Dilip Kadambi**

Non-Executive Director

**Date:** September 29, 2023

**Place:** Singapore

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Ashok Pandit**

Additional Non-Executive Director

**Date:** September 29, 2023

**Place:** Singapore

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Suvalaxmi Chakraborty**  
Independent Director

**Date:** September 29, 2023

**Place:** Mumbai

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with, and no statement, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

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**Mangesh Shirodkar**  
Chief Financial Officer

**Date:** September 29, 2023

**Place:** Gurgaon

## **DECLARATION**

We, NYLIM Jacob Ballas India Fund III LLC, a Selling Shareholder, hereby confirm that all statements, disclosures, and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to us, as a Selling Shareholder and the Equity Shares being offered by us in the Offer for Sale, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED FOR AND ON BEHALF OF NYLIM JACOB BALLAS INDIA FUND III LLC**

\_\_\_\_\_  
**Name:** Kritsee Bhurtun-Jokhoo

**Designation:** Director

**Place:** Mauritius

**Date:** September 29, 2023

## **DECLARATION**

We, International Finance Corporation, a Selling Shareholder, hereby confirm that all statements, disclosures, and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to us, as a Selling Shareholder and the Equity Shares being offered by us in the Offer for Sale, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

### **SIGNED FOR AND ON BEHALF OF INTERNATIONAL FINANCE CORPORATION**

\_\_\_\_\_  
**Name:** Monica J Chander

**Designation:** Authorised Signatory

**Place:** Delhi

**Date:** September 29, 2023

## **DECLARATION**

We, Resurgence PE Investments Limited, a Selling Shareholder, hereby confirm that all statements, disclosures, and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to us, as a Selling Shareholder and the Equity Shares being offered by us in the Offer for Sale, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

### **SIGNED FOR AND ON BEHALF OF RESURGENCE PE INVESTMENTS LIMITED**

\_\_\_\_\_  
**Name:** Nowrattan Bhurtun

**Designation:** Director

**Place:** Mauritius

**Date:** September 29, 2023